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More on Commonwealth Heads of Government Meeting

Botswana's Masire Arrives

MB0911154495 Gaborone Radio Botswana Network in English 1110 GMT 9 Nov 95

[FBIS Transcribed Text] The president, Sir Ketumile Masire, arrived in Auckland, New Zealand, this morning, for the three-day biennial summit of the Commonwealth heads of state and government, which starts tomorrow. President Masire is accompanied by Lady Olebile Masire; the minister for foreign affairs, Lieutenant General Mompati Merafhe; and senior government officials. The president arrived from Singapore where he spent two days on a hospitality visit. His is scheduled to meet the secretary general of the Commonwealth, Chief Emeka Anyaoku, this evening, who is expected to brief the president on current issues expected to be discussed at the summit. Chief Anyaoku will meet Sir Ketumile in his capacity as the chairman of SADC [Southern African Development Community].

Zimbabwe's Mugabe Arrives

MB0911102695 Johannesburg SAPA in English 1018 GMT 09 Nov 95

[FBIS Transcribed Text] AUCKLAND Nov 9 SAPA — Zimbabwean President Robert Mugabe on Thursday warned Nigeria that it risked expulsion from the Commonwealth should negotiations to reverse the death sentences of nine minority rights activists fail. Mugabe was speaking on his arrival at the Commonwealth Heads of Government Meeting in Auckland, New Zealand, Zimbabwe's ZIANA [ZIMBABWE INTER- AFRICAN NEWS AGENCY] news agency reported. Speaking to reporters after meeting New Zealand Prime Minister Jim Bolger, Mugabe said sanctions against Nigeria would also be considered by Commonwealth leaders.

Mugabe strongly condemned the decision to confirm the death sentences imposed by a special tribunal on minority leader Ken Saro- Wiwa and eight activists fighting for the survival of the Ogoni people. Mugabe said the decision came like "a bolt out of the blue" in view of Nigerian ruler Gen Sani Abacha's promise to restore democracy within three years. "The decision causes overall political concern because it comes at a time when we thought there was hope that as a result of statements Abacha made, Nigeria was closer to moving from military rule to civilian rule," said Mugabe.

India Offers Aid to Small States

BK1011024295 Delhi ISI Diplomatic Information Service in English 1458 GMT 9 Nov 95

["Text" of a statement by Indian External Affairs Minister Pranab Kumar Mukherjee at the Ministerial Meeting on Small States held in connection with the Commonwealth Heads of Government Meeting in Auckland, New Zealand; date not given]

[FBIS Transcribed Text] "As the largest member of the Commonwealth we welcome the attention now being paid to the problems of the small states which constitute the majority of our membership. We are familiar in India with the problems of extreme size. Listening to the statement of my colleagues from small states today it is clear that many of our problems are similar since common to both of us is the urgent need to promote sustained economic growth, which also will address the needs of economic security of the developing world. We also share a common threat to our security, our lives and our environment from nuclear weapons. This has been reflected in statements made here today.

The problems of small states are also diverse. Small states of the Commonwealth include middle income developing countries and least developed countries, island developing countries and land- locked countries. While there are common problems there is also a great diversity which should be recognised in targeting programmes for them. India has a programme of technical cooperation which focuses on small states. We will continue to strengthen our cooperation with small states bilaterally and in the context of the Commonwealth and other multilateral bodies. Our experience in structural adjustment would be relevant for other developing countries. We would welcome suggestions from the secretariat based on analytical studies on how we could do more. We are committed to help."

Mukherjee Addresses Ministers

BK1011064495 Delhi All India Radio Network in English 0245 GMT 10 Nov 95

[FBIS Transcribed Text] The external affairs minister, Mr. Pranab Mukherjee, is attending the [Commonwealth Heads of Government] summit meeting. Addressing a ministerial meeting of small states yesterday, Mr. Mukherjee said India will strengthen its technical cooperation with these countries. He said many of the problems faced by the small states are similar to those of India. He said India's experience in structural adjustment will be relevant for other developing countries.

The foreign ministers of Lesotho and Swaziland and special envoy to the prime minister of Bangladesh met

Mr. Mukherjee and discussed bilateral matters. They commended India's role in strengthening the United Nations.

In an interview to a TV network in Auckland, Mr. Mukherjee issued a stern warning to Pakistan, urging it to desist from raising the Kashmir issue at the summit. He pointed out that Islamabad is just trying to satisfy its own constituencies by its repeated attempts to internationalize the issue. Citing earlier occasions, Mr. Mukherjee said Pakistan had completely ignored the ethics of certain congregations like NAM [Nonaligned Movement].

Mahathir on UK Nuclear Stand

BK0911145495 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 9 Nov 95

[FBIS Translated Text] Malaysia feels that there is no reason for Britain to support the acquisition of nuclear weapons or nuclear tests. Prime Minister Datuk Sri Dr. Mahathir Mohamed said this while answering questions by reporters in Auckland, New Zealand.

[Begin Mahathir recording in English in progress] ... while Britain's position is Britain's position, of course, but we think that there is no reason why Britain, too, should not agree with the idea of doing away with weapons, well, nuclear weapons. Who are their enemies anyway? Well, you know we have made our stand very clear recently that we are not just against testing of nuclear weapons. We are against nuclear weapons altogether. We think we should do away with these hideous weapons as much as we outlaw chemical weapons. We should also outlaw nuclear weapons. So, I would say that I am going to take a very strong view on this. It may differ somewhat with the rest. [end recording]

New Zealand Prime Minister James Bolger's opinion is similar to Malaysia's opinion.

[Begin Bolger recording in English in progress] ... the New Zealand's view to the special General Assembly of the United Nations where we both blamed the countries concerned and expressed in a very strong way our opposition to testing and our commitment to a world free of nuclear weapons. So, our position has been strong from the beginning. But like Dr. Mahathir, perhaps he will put [words indistinct]. [end recording]

Dr. Mahathir was also asked whether it was necessary to impose sanctions on Nigeria, which has allegedly violated human rights.

[Begin Mahathir recording in English] Well, there is a practice in the Commonwealth as there is also in many other organizations that when somebody is out, coming back becomes difficult because of the need to have consensus, which involves actually one person or one country having the veto over the rest. I disagree with vetoes in the UN and I disagree with any veto in any organization. Well, I think we should be able to deal with this kind of thing by continuing to try to resolve it through persuasion, perhaps, through developing some kind of relation with the leaders so that we can influence them. Once we cut ourselves off from them, it becomes very difficult to influence them. [end recording]

The discussion between Dr. Mahathir and James Bolger lasted just over one half-hour. Malaysia requested more landing rights in New Zealand and welcomed bilateral cooperation in the field of broadcasting, particularly in view of the upcoming '98 Commonwealth Games.

'Fears' of Britain-Commonwealths Rift

LD0911221495 London PRESS ASSOCIATION in English 2151 GMT 9 Nov 95

[By Amanda Brown, Chief Political Correspondent, PA News, in Auckland]

[FBIS Transcribed Text] Fears of a rift between Britain and her Commonwealth partners over French nuclear weapons testing in the South Pacific deepened today with a tough warning from New Zealand premier Jim Bolger at the official opening of the Commonwealth Heads of Government Meeting in Auckland.

He said: "We find the testing of nuclear weapons at this time inexplicable and unacceptable ... that is why the continued nuclear testing has aroused such deep concern."

Mr Bolger who with Australian Premier Paul Keating is deeply opposed to John Major's backing of the French weapons testing on Mururoa Atoll, said the question had to be tackled.

"More than at any time in the last 50 years, we have a chance to rid the world of these weapons of indiscriminate mass destruction.

"New Zealand has today presented its case in the World Court that nuclear weapons be declared illegal.

"Those nations including the nuclear powers which have signed the Nuclear Non-Proliferation Treaty have already committed themselves to the goal of the elimination of nuclear weapons."

But the good news was that the world was moving away from testing. The curtain would soon be drawn down on 50 years of testing which has left its legacy of pollution in many parts of the world.

Progress towards completing the Comprehensive Test Ban Treaty was welcome — "But the world is now seized with the greater goal. The goal of eliminating all nuclear weapons.

"While that goal will take time to achieve, in my view it is essential that measurable progress is made to discourage other countries seeking the status of a nuclear power.

"Now more than ever we must realise that the basic problems facing mankind cannot be resolved by nuclear arms."

President Nelson Mandela of South Africa took his place at the conference. It is the first time the country has been represented at CHOGM [Commonwealth Heads of Government meeting] since the end of apartheid.

Mr Mandela said: "Our membership of a Commonwealth that said it could not coexist with racism and oppression means that we too, by taking our seat at the round table have made a solemn undertaking that we will neither accept racism and oppression in our own country, nor stand aside when any people anywhere in the world become victim to systemic racism, oppression and tyranny."

End to Nuclear Testing Urged

LD1011094995 Melbourne Radio Australia in English 0700 GMT 10 Nov 95

[FBIS Transcribed Text] The commonwealth heads of government meeting in Auckland has called for the immediate cessation of nuclear testing. A special statement issued by the meeting noted that widespread anger had been caused by the renewal of nuclear testing, which had carried out this year by France and China. However, the statement, released after the first day of the four-day meeting, did not specifically mention France. The statement said the overwhelming majority of commonwealth heads of government considered that continued testing was inconsistent with undertakings given by the nuclear powers to exercise utmost restraint so as not to effect negotiations for the conclusion of the comprehensive test ban treaty next year. They urged the immediate cessation of nuclear tests.

Australian Prime Minister Paul Keating told the meeting that France was encouraging nuclear proliferation by continuing to test.

British Prime Minister John Major repeated his support for French testing and the maintenance of a nuclear deterrent on the grounds that there was still the potential for nuclear weapons to proliferate.

The Commonwealth leaders also discussed the question of possible sanctions against the Nigerian military government, which has sentenced nine political activists to death for murder. Several prime ministers have called for clemency for the activists, who include the prominent Nigerian writer Ken Saro-Wiwa.

Malaysia Hails Nuclear Statement

BK1111092495 Kuala Lumpur THE STAR in English 11 Nov 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] AUCKLAND: Foreign Minister Datuk Abdullah Ahmad Badawi described the CHOGM [Commonwealth heads of government meeting] statement on nuclear disarmament as one that many countries had been waiting for.

Briefing Malaysian journalists yesterday after the first day of the summit, he said a great majority of the Commonwealth member countries agree with the language of the statement.

He said that both developing and developed countries generally agreed to the statement, although some had proposed to use a less strongly-worded one.

Replying to a question, he said the tone of the statement had not been less than what Malaysia had sought.

During the discussions, he said, Prime Minister Datuk Sri Dr Mahathir Mohamed had explained the need for not only the cessation of nuclear tests but also a total ban on nuclear weapons.

Dr Mahathir had told the meeting that no country should be allowed to possess nuclear weapons.

This was because such countries might "be given the reason" to use the weapons, which would have terrible consequences.

He also said that the meeting discussed in general various other matters, including the activities of the Commonwealth, reformation of the United Nations, Bosnia, human rights, good governance, and democratic practices.

To another question, Abdullah said he was happy with the running of CHOGM but said that the duration was "a bit short" as there were many things to discuss.

UK's Major Rejects Test Critics

LD1011103295 London PRESS ASSOCIATION in English 0918 GMT 10 Nov 95

[By Amanda Brown, Chief Political Correspondent, PA News in Auckland]

[FBIS Transcribed Text] The [United Kingdom] Prime Minister today hit back at critics of his stance on nuclear tests after a group of countries called for an immediate halt to underground explosions in a toughly-worded statement at the Commonwealth summit.

Mr Major angrily dismissed the statement, telling reporters: "What they have got in their statement is factually inaccurate, intellectually inconsistent and unbalanced and I have not signed up to that.

"I hardly think I am sitting on the fence on nuclear testing.

"I have made perfectly clear that I think the view expressed by Commonwealth colleagues is just plain wrong.

"That has been my position right the way through and it remains my position now."

The statement by Commonwealth countries appeared to leave Mr Major isolated in the continuing row over his support for the French tests in the South Pacific.

Underlining the strength of feeling among countries in the region, it said the overwhelming majority of Heads of Government "noted the widespread anger caused by the current programmes of nuclear weapons tests" and condemned the continued practice.

Neither France nor Britain was mentioned by name, but John Major has been criticised by Australian Premier Paul Keating and New Zealand's Prime Minister Jim Bolger for supporting President Jacques Chirac's policy of detonating bombs under Mururoa Atoll.

Mr Bolger told journalists the statement was "a victory for the Commonwealth heads of government that they were able to reach such a broad consensus that attracted the attention and agreement of the overwhelming majority".

He said the word "condemned" was a "South Pacific word", but he pointedly refused to comment on suggestions of a split between Britain and her Commonwealth partners.

Mr Major told the opening session of the conference he understood why feelings were running so high, but urged fellow leaders to look forward to the greater prize of a nuclear-free South Pacific and a comprehensive nuclear test ban treaty once France had completed the tests in the first half of 1996.

He understood the burden of responsibility on President Chirac to keep France's nuclear deterrent in working order and thus it would be hypocritical of him to condemn the tests.

Mr Keating, who had promised to give Mr Major "a smack with a ruler" when they met, in fact agreed with the Prime Minister during the opening session that nuclear deterrence had helped to win the Cold War, British officials said.

But they quoted Mr Keating as saying times had changed and the priority now was to prevent nuclear proliferation.

Returning to the same point during his news conference, Mr Keating said: "What you (the French) are really saying in principle is bomb-building is okay and we'll cease when we're good and ready and we've got our bomb built'."

Opening the summit, Mr Bolger was blunt, describing France's tests as "inexplicable and unacceptable".

He insisted it was "essential that measurable progress is made to discourage other countries seeking the status of a nuclear power."

Mr Major agreed that proliferation posed a serious threat and said the ambitions of Iraq, Iran and Libya were particularly worrying. But this was all the more reason why Britain must keep up its nuclear guard.

Malaysian Prime Minister Mahathir Mohamad came down firmly on Mr Bolger's side. "There is no reason why Britain, too, should not agree with the idea of doing away ... with nuclear weapons. Who are their enemies anyway?" he told Malaysian television.

The United Kingdom delegation to the summit later issued a statement stressing the Government found the Commonwealth criticism "both factually inaccurate and seriously misrepresents an important subject".

Nuclear deterrence had kept security and stability for 50 years and nuclear powers had a duty to ensure the safety and reliability of their weapons.

"Britain as a nuclear power in the Commonwealth and one of the architects of the nuclear Non-Proliferation Treaty understands public concern about nuclear testing and is actively working for the conclusion in 1996 of a comprehensive test ban treaty."

Environmental groups and local Maori activists have raised the profile of the issue with demonstrations during the run up to the Conference but the Commonwealth leaders were this weekend turning their attention to human rights.

Mr Major and other leaders were to take part in a closed session in Queenstown in the South Island to work out an action plan aimed at halting the rise of brutal military regimes and restoring democracy to countries like Nigeria.

The Queen will tonight fly back to back to Britain after hosting a banquet in Auckland.

Mandela Thanks Organization

MB1011075895 Johannesburg SAPA in English 2143 GMT 09 Nov 95

[FBIS Transcribed Excerpt] AUCKLAND Nov 10 SAPA — The Commonwealth heads of government meeting got under way in Auckland, New Zealand, on Friday morning with strong calls by host Prime Minister Jim Bolger for an end to nuclear weapons. Along with human rights abuses in three Commonwealth member countries, nuclear weapons have emerged as a key issue facing the assembled heads of state in an organisation representing a third of the world's population. [passage omitted]

In his address to the Commonwealth meeting, [South African President Nelson] Mandela said the organisation's firm stand against apartheid had defined it as more than a mere club brought together by historical accident. He thanked the Commonwealth for its outstanding role in ending apartheid and colonial domination in South Africa.

Mandela said South Africa's membership of the organisation, which it rejoined last year after a 35-year absence, meant it had made a solemn undertaking not to stand aside when people became victims of systemic racism, oppression or tyranny.

"It must therefore be necessarily true the Commonwealth has committed itself to the pursuit of those goals universally, mediated as they might be by the particular circumstances of individual countries. Together we dare not throw away the possibility we have decisively to contribute to the birth of a truly new humane and people-centred world, a world in which violent conflict and weapons of mass destruction will be mere memories of a past gone by," Mandela told the assembled heads of state.

They were to go into closed session after the opening. [passage omitted]

Singapore, Brunei Hold Talks

BK1011112995 Singapore Radio Corporation of Singapore in English 1000 GMT 10 Nov 95

[FBIS Transcribed Text] Prime Minister Goh Chok Tong, who is in Auckland, has held talks with the sultan of Brunei on the upcoming meetings they will be attending. These are the APEC [Asia Pacific Economic Cooperation] summit in Osaka next week, the ASEAN summit, and the Asia-Europe meeting. A Singapore spokesman said the two leaders felt there should be a comprehensive APEC agreement.

As for the ASEAN summit in December, they are looking forward to making progress on some economic issues. It is believed one such issue is the ASEAN Free Trade Area. On next year's Asia-Europe meeting, Mr. Goh and Sultan Bolkiah were keen to hold the first meeting in Thailand.

Sri Lanka, Australia Hold Talks

BK1011154595 Colombo DAILY NEWS in English 10 Nov 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Foreign Minister Lakshman Kadirgamar who arrived in Auckland, New Zealand yesterday morning to attend the Commonwealth Summit explained the current situation in the north to Australian Foreign Minister Gareth Evans during their talks in Auckland yesterday. Bi-lateral relations and international issues also figured prominently in their talks, which lasted for nearly half an hour.

Minister Kadirgamar is due to use this opportunity to enhance bilateral relations with other members of the Commonwealth. His talks with Foreign Minister Evans are regarded as the first stage of this endeavour.

Mr. Kadirgamar was also due to dine with Indian Foreign Minister Pranab Mukherjee and have bilateral talks with him yesterday.

Pakistani President on Kashmir

BK1011101495 Islamabad Radio Pakistan Overseas Service in English 0800 GMT 10 Nov 95

[FBIS Transcribed Text] President Farooq Ahmad Khan Leghari has again urged India to end its atrocities in held Kashmir and has appealed to the Commonwealth secretary general to use his good offices to help resolve the longstanding dispute in occupied Kashmir.

Speaking in the working session of the Commonwealth heads of state meeting in Auckland today, he gave a detailed account of Indian excesses in the occupied valley. President urged India to spare the people of Kashmir, who are sacrificing their lives to attain their right of self-determination. He again asked India to start a constructive dialogue with Pakistan in order to settle the Kashmir dispute. Referring to the Indian-proposed plan to hold elections in occupied Kashmir, the president said they were a ploy to hoodwink the world public opinion which stood fully informed about the actual state of affairs in Kashmir. He said India must desist from enacting a farce in occupied Kashmir in the form of elections and instead hold a plebiscite to find out what the people of held Kashmir wanted.

President also referred to arms and missile buildup in India and said that actually it was the nonresolution of the Kashmir dispute that has pushed India to introduce the factor of arms race in the subcontinent. He said Pakistan was neither responsible nor could it afford such arms race in the area. This development endangered the security and peace of South Asia. He said Pakistan also believes in the nonproliferation of weapons of mass destruction and proposes nuclear free zone in South Asia. He said it was India who was not agreeing to this proposal of Pakistan, which incidentally is approved every year by the UN General Assembly.

The foreign minister, Sardar Asif Ahmad Ali, who briefed newsmen in Auckland today said that president of Pakistan also told the Commonwealth meeting about the developments in Afghanistan. The president reiterated that Pakistan wants return of immediate peaceful conditions in Afghanistan and has been supporting all efforts in this regard. He urged the Commonwealth to concentrate on efforts which could eliminate regional conflicts and ensure economic prosperity of all states.

The prime minister of Singapore, Mr. Goh Chok Tong, today called on the president and showed keen interest in the investment opportunities being offered by Pakistan. He also accepted an invitation from the president to visit Pakistan.

India Offers Pakistan Dialogue

BK1011130395 Delhi All India Radio Network in English 1230 GMT 10 Nov 95

[FBIS Transcribed Text] The Pakistan president, Mr. Farooq Ahmad Leghari, was snubbed when he sought to raise the Kashmir issue at the ongoing Commonwealth summit in Auckland. The chair firmly observed that bilateral matters are not to be discussed at such gatherings.

The external affairs minister, Mr. Pranab Mukherjee, heading the Indian delegation quickly appreciated the chair's decision. He renewed India's offer to resume dialogue with Pakistan to resolve all outstanding issues, including Kashmir.

Earlier the summit opened with calls for a united stand against Nigeria for sentencing nine minority rights campaigners to death.

'Text' of Statement on Nigeria

BK1111091895 Hong Kong AFP in English 0909 GMT 11 Nov 95

[FBIS Transcribed Excerpt] QUEENSTOWN, New Zealand, Nov 11 (AFP) — Commonwealth leaders, in an unprecedented move, suspended Nigeria Saturday and warned it could be thrown out altogether after the Nigerian military regime executed nine political activists.

New Zealand Prime Minister Jim Bolger, chairing a summit here, said the members of the Commonwealth, with the exception of Gambia and the Solomon Islands, agreed to suspend Nigeria until it complied with the principles of a 1991 declaration on good government. [passage omitted]

[Hong Kong AFP in English at 0901 GMT on 11 Nov from Queenstown adds: This is the full text of a statement made Saturday by Prime Minister Jim Bolger as chairman of the Commonwealth Heads of Government Meeting here:

"In response to developments in Nigeria which have constituted a serious violation of the principles set out in the Harare Commonwealth Declaration, Commonwealth Heads of Government, with exception of Gambia and Solomon Islands, agreed to suspend Nigeria from membership of the Commonwealth pending the return to compliance with the principles of the Harare Declaration."

"They urged the Nigerian government to take immediate and concrete steps to adhere to these principles, and offered whatever practical assistance the government might request in this respect."

"They called for the release of the 43 prisoners currently being held for involvement in an alleged coup attempt and the release of Chief Abiola."

"They further decided that if no demonstrable progress was made towards the fulfilment of these conditions within a time frame to be stipulated, Nigeria would be expelled from the association."]

Mandela 'Furious' at Nigeria

MB1211192995 Johannesburg SUNDAY TIMES in English 12 Nov 95 p 1

[Report by Ray Hartley]

[FBIS Transcribed Text] Commonwealth leaders led by a furious President Nelson Mandela yesterday suspended Nigeria from the organisation and threatened it with expulsion following the military dictatorship's execution of nine opposition leaders.

The dramatic announcement was made by New Zealand Prime Minister James Bolger following a day of talks by the leaders of the 49 member states at an exclusive retreat in Queenstown, New Zealand.

And Nigeria's Foreign Minister, Tomi Ikimi, was told to leave the summit yesterday.

An angry Mr Mandela argued for the immediate expulsion of Nigeria, but settled for the lesser sanction after meeting the leaders of the Frontline States.

Mr Mandela, who had resisted calls for punitive measures — which included sanctions — against Nigeria at the Commonwealth heads of government meeting and had argued in favour of continued talks with its military rulers, was said to be enraged when told poet and environmental activist Ken Saro-Wiwa and eight others had been executed.

It was the second time that Nigerian dictator General Sani Abacha had responded with contempt to Mr Mandela's quiet diplomacy. In July, General Abacha scheduled the execution of 43 criminals on the same day that Deputy President Thabo Mbeki arrived in Lagos to plead for clemency for political dissidents sentenced to death for allegedly taking part in a coup bid.

Although news of the executions reached Mr Mandela in the early hours of Saturday morning (New Zealand time), he summoned Foreign Minister Alfred Nzo and staffers to an emergency meeting. He told them he wanted Nigeria expelled after it betrayed the faith he had placed in a negotiated solution to the crisis.

This was followed by talks with British Prime Minister John Major and Mr Bolger on the aircraft carrying them to the Queenstown resort.

On landing, Mr Mandela and the leaders of Zimbabwe, Namibia, Botswana, Zambia, Malawi, Tanzania and Kenya held a special caucus meeting and put together the suspension proposal. It is believed Mr Mandela proposed that Zimbabwean President Robert Mugabe make the proposal, but he declined, leaving it to Mr Mandela.

In a statement supported by all but one Commonwealth member — Gambia — the leaders said they would readmit Nigeria only once it conformed with the principles contained in the Harare Declaration which set out guidelines for democracy.

"They further decided that, if no demonstrable progress had been made towards the fulfillment of these conditions within a time frame to be stipulated, Nigeria would be expelled," Mr Bolger said.

The Commonwealth Harare Declaration adopted after the heads of government meeting in Zimbabwe in October 1991 commits all members to promoting democracy as well as the rule of law, the independence of the judiciary and a just and honest government.

Mr Mandela also announced yesterday that South Africa was recalling its high commissioner in Nigeria.

Presidential official Joel Netshitenze said after the suspension announcement: "The president is happy with the decision."

Nigerian human rights activists have meanwhile criticised South Africa for "naively" opting for dialogue earlier this week when it should have supported stronger measures. Nigerian Human Rights Community leader Aolawale Fapohunda said that Commonwealth countries, led by South Africa, had erred by believing they could save the men's lives through dialogue.

He told the Sunday Times yesterday: Mr Mandela decided to play it softly, an approach which — by the way — failed in South Africa."

Mr Mandela, however defended his decision to advocate quiet diplomacy. "My conscience is now clear, because I did everything to resolve this matter through persuasion and diplomacy. Now that that method has failed, it is absolutely necessary to take firm action," he said.

Mr Fapohunda retorted: "Mr Mandela's statement is like administering medicine after death. "We believe that, if he had acted earlier, maybe Mr Saro-Wiwa would still be alive."

Mr Fapohunda said efforts by the slain leader's son, Ken Wiwa, to meet Mr Mandela to discuss the impending executions had come to nothing.

Mr Wiwa said earlier in the week that a personal intervention from Mr Mandela was the only way of saving his father's life.

Support of Displaced Civilians Urged

BK1211110795 Hong Kong AFP in English 1034 GMT 12 Nov 95

[FBIS Transcribed Text] COLOMBO, Nov 12 (AFP) — Tamil Tiger guerrillas Sunday urged the Commonwealth summit in New Zealand [Commonwealth Heads of Government Meeting — CHOGM] to issue an appeal for "urgent humanitarian aid" for tens of thousands of civilians displaced by fighting in northern Sri Lanka.

In a statement received here from its London office, the Liberation Tigers of Tamil Eelam (LTTE), appealed to the Commonwealth heads of government to support a UN appeal for helping Sri Lanka's displaced civilians.

The Colombo government has already denounced the UN for expressing "deep concern" over the exodus of civilians from Jaffna peninsula in the north following a major military offensive launched in the region on October 17.

Tamil sources and local officials estimate that up to half a million people have become refugees following the onslaught. Most of the displaced civilians live in squalid conditions, Tamil sources said.

The LTTE also asked the Commonwealth to call on the Sri Lankan government to withdraw from "occupied territories of the Tamil homeland (in the peninsula) and end the genocidal attack on the Tamil people."

Government forces captured several villages from the LTTE during the latest offensive and were barely two kilometers (1.24 miles) from the town of Jaffna, the main LTTE stronghold.

The LTTE is fighting for a separate state in the northeast for Sri Lanka's two million minority Tamils. More than 50,000 have been killed in the LTTE-led independence struggle.

Mozambique Membership Approved

LD1211104195 Melbourne Radio Australia in English 0900 GMT 12 Nov 95

[FBIS Transcribed Text] Mozambique has become the only member of the Commonwealth which was not part of the former British Empire. Commonwealth leaders approved an application for membership from Mozambique, a former Portuguese colony, at their meeting in Auckland. They decided to admit Mozambique, as the Commonwealth's 53rd member, as a unique and special case.

The Commonwealth secretary-general, Emeka Anyaoku, pointed out that Mozambique's association with the Commonwealth dated from 1975, when it joined sanctions against Rhodesia's minority white government. Commonwealth officials are to draw up criteria to apply to any further applications for membership.

Pakistan's Leghari Interviewed

BK1311135095 Islamabad PTV Television Network in English 1300 GMT 13 Nov 95

[FBIS Transcribed Text] President Farooq Ahmad Khan Leghari has said that the Commonwealth is playing an important role for promotion and strengthening of democracy, technical cooperation, and education for developing member countries. In an interview with PTV correspondent Khaleda Mazhar in Auckland at the end of the four-day Commonwealth Summit today, the President said the conference discussed all issues concerning common interests of its member countries having global implications.

President Leghari said that at the conference Pakistan highlighted the atrocities being committed by Indian forces in occupied Kashmir as well as genocide in Bosnia in the heart of Europe. The Pakistan delegation, he said, emphasized that Kashmir is an international dispute which must be resolved through peaceful means in line with the aspirations of Kahsmiri people who do not like Indian interference in their affairs.

About Pakistan's role in the Commonwealth declaration, the president said a number of suggestions were made for sustainable development, technical assistance, education, human rights and women's rights. At Pakistan's insistence, amendments were made in the joint declaration regarding disarmament and nuclear testing.

Officials Comment on Measures

LD1311141195 Melbourne Radio Australia in English 1230 GMT 13 Nov 95

[FBIS Transcribed Excerpt] [passage omitted] After their four-day gathering, the Commonwealth leaders congratulated themselves for putting in place measures to deal with countries which don't adhere to Commonwealth principles on democracy and human rights. [passage omitted] Lyndall Curtis reports.

[Curtis] The biggest single achievement of this Commonwealth Heads of Government Meeting [CHOGM] is the statement of measures which allows the organization to take action against member nations which breach the principles on human rights and democracy and it was this statement Commonwealth leaders have been singling out in their comments at the end of the meeting. [passage omitted] But the Commonwealth meeting didn't end with unified support for the so- called Millbrook statement. Nigeria, which will have to return to a democracy in two years or be expelled from the Commonwealth, has criticized the organization's action. The Nigerian foreign minister, Chief Tom Ikimi, who until the decision on Saturday [11 November] was taking part in the meeting, has denounced the decision as an unfair and unjustified decision, made in undue haste.

[Begin Ikimi recording] We cannot fail to notice the sharp contrast between the passion shown at the Auckland CHOGM on the issue of one man, Saro-Wiwa, and the restraint demonstrated on the issue of nuclear testing, which poses grave danger to a vast region. [end recording]

[Curtis] His criticisms have been rejected by the Commonwealth leaders. The meeting's host, New Zealand's Prime Minister Jim Bolger, says Chief Ikimi is simply wrong.

[Begin Bolger recording] I met with the chief in New York; I met with him twice here; I heard many submissions he made inside the leaders' meeting. The suggestion that we didn't hear his side of the argument is simply wrong. Some things are right, some things are wrong. That's wrong. [end recording]

[Curtis] Malaysia's prime minister, Dr Mahathir [Mohamad], says the Commonwealth action is justified.

[Begin Mahathir recording] I believe the organization should always be flexible, but not to the extent that it gives up the principles entirely. The reason why we had to decide on Nigeria is because we think they have gone too far. [end recording] [passage omitted]

NGO Forum Starts International APEC Meeting

OW1311012695 Tokyo KYODO in English 0047 GMT 13 Nov 95

[FBIS Transcribed Text] Kyoto, Nov. 13 KYODO — A Japanese nongovernmental (NGO) liaison forum began a two-day international meeting in Kyoto on Monday [13 November] with plans to adopt a proposal for submission to this week's Osaka gathering of the Asia- Pacific Economic Cooperation (APEC) forum, organizers said.

The proposal will call for human-oriented economic development and promoting environment preservation, they said.

The organizers plan to submit the proposal to the Japanese Government and other governments taking part in the APEC gathering.

The NGO liaison forum was established in May this year by 30 NGO groups.

The forum hosted a similar meeting in Tokyo over the weekend.

On Tuesday the Kyoto meeting is expected to adopt proposals on other issues, including poverty and human rights, they added.

ROK Customs Chief Urges Uniform APEC Laws

SK1011043995 Seoul THE KOREA TIMES in English 10 Nov 95 p 9

[FBIS Transcribed Text] Yi Hwan-kyun, commissioner of the Korean Customs Service (KCS), proposed the creation of a customs law in the Asia-Pacific region in order to facilitate movement of cargo in the region.

He made the proposal in Osaka at a meeting of customs agency chiefs from the Asia Pacific Economic Cooperation (APEC) region.

Yi said the APEC's sub-committee on customs procedures had already published an APEC Customs Guide but that it is so simple it did not contain the detailed customs regulations or procedures that are needed.

As the APEC trade environment is undergoing a drastic change, a detailed customs guidebook would be helpful for firms that deal with customs departments, especially small and medium-sized companies, in order to aid their understanding of foreign customs regulations. This would help them clear customs without conflicts likely to arise out of misunderstanding regulations or lack of information, Yi said.

'Full Text' of Draft APEC Declaration

OW1311144095 Tokyo KYODO in English 1407 GMT 13 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 13 KYODO — The following is a full text of an Asia-Pacific Economic Cooperation (APEC) forum ministers' joint declaration draft, obtained by KYODO NEWS SERVICE Monday [13 November]. Ministerial Meeting

Osaka, Japan, November 16-17, 1995
Joint Statement

1. Ministers from Australia, Brunei Darussalam, Canada, Chile, the People's Republic of China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Republic of the Philippines, Singapore, Chinese Taipei, Thailand and the United States of America participated in the seventh Asia-Pacific Economic Cooperation (APEC) ministerial meeting convened in Osaka, Japan on 16-17 November 1995. Members of the APEC secretariat were also present. The ASEAN secretariat, the Pacific Economic Cooperation Council (PECC), and the South Pacific Forum (SPF) attended as observers.

2. (opening remarks—co-chairs)

3. The meeting was chaired by ....

4. (remarks of former chair—Indonesia)

5. Ministers held discussions on a range of topics, including

The action agenda/future activities of APEC

The third report of the Eminent Persons Group
The second report of the Pacific Business Forum
Economic trends and issues
Trade and investment issues
APEC work program issues and initiatives
Partners for progress
Organizational issues
Other matters

I The Action Agenda/Future Activities of APEC

6. Ministers discussed the draft action agenda submitted by the senior officials to achieve the objectives set by the economic leaders at Bogor last year. They agreed that the draft was a crystalization of the sense of commitment and the political determination of each member economy to achieve such objectives. Ministers further underlined the strategic significance of the action agenda in providing a long-term framework to chart the future course of our cooperation, which will enhance the prospects of an accelerated, balanced and aquitable economic growth in the region.

7. Ministers valed [as received] the inputs provided by the relevant ministerial meetings, and noted with profound satisfaction that other APEC fora such as the economic committee, the committee on trade and investment, working groups, the policy level group, and the experts meeting have made important contributions to the formulation of the draft action agenda. They also appreciated the recommendations forwarded by the APEC Eminent Persons Group and the Pacific Business Forum which served as valuable references in elaborating the action agenda.

8. Ministers confirmed that the draft action agenda covers the three pillars of APEC activities, namely, trade and investment liberalization, their facilitation, and economic and technical cooperation, in the belief that economic well-being in the region can only be maximized through the integrated function of these three factors.

9. Ministers confirmed each member economy's determination to submit its respective action plan, to be formulated in accordance with the action agenda, by the 1996 ministerial meeting in the Republic of the Philippines, so as to materialize the APEC long-term goal of free and open trade and investment. Ministers noted the value of the consultation and reviews processes of these action plans in exploring their overall comparability and ensuring transparency.

10. Ministers also stressed the need to further promote economic and technical cooperation in the spirit of mutual assistance by developing common policy concepts, implementing joint activities and engaging in policy dialogues. The overall progress of these activities will be subject to annual review in this regard.

11. Ministers adopted the draft action agenda, noting that the actions contained in it could be expanded and improved as necessary in accordance with further deliberations during the ongoing process of its implementation, and agreed to propose it to the leaders for their consideration.

II. Report of the Eminent Persons Group

12. Ministers discussed the third report submitted by the Eminent Persons Group, which contains its recommendations on the implementation of the APEC vision set forth in the economic leaders meetings in Blake island and Bogor and welcomed the report as an important reference for stepping up APEC cooperation. Ministers also recognized with appreciation the valuable contributions the Eminent Persons Group has made during the last three years to furthering the development of APEC activities and commended the successful accomplishment of its mission. Ministers recognized the value of receiving advice and recommendations from knowledgeable and independent personalities and agreed to consider in the coming year the most appropriate from of an advisory body to respond to APEC's evolving needs.

III. Report of the Pacific Business Forum

13. Ministers discussed the second report presented by the Pacific Business Forum which contains its recommendations on the implementation of the bogor declaration from the pespective of the business/private sector and valued its views as an important reference. Ministers, stressing the need for cooperation between government and business/private sectors in pursuit of more effective APEC activities, expressed appreciation to the Pacific business forum for the valuable contributions it has provided during the last two years.

IV. Economic Trends and Issues

14. Ministers welcomed the report of the Economic Committee (EC) and noted that the committee had made significant progress since its formation in 1994. Ministers reiterated the need to strengthen APEC's

capability in the analysis of long-term economic trends and studies of specific economic issues.

15. Ministers thanked Japan for its coordination of the economic outlook paper entitled "1995 Report on the APEC Regional Economy — Performance, Structure, Outlook, and Tasks." Ministers agreed that the report provided a good analysis of the region's economic performance and future trends. Ministers also commended Canada on its paper entitled "The Role of Foreign Direct Investment in APEC Economic Integration" which provided a clear picture of the significant role played by investment in bringing about rapid economic growth in the region.

16. Ministers endorsed the EC's work plan for 1996 which will include the following.

1996 APEC economic outlook

Studies on the impact of trade and investment liberalization
Analytic work on infrastructure development
Analysis of sustainable development

V. Trade and Investment Issues

17. Ministers welcomed the report of the Committee on Trade and Investment (CTI) and noted the substantive contribution made by the committee towards the process of liberalization and facilitation of trade and investment in the region. Ministers noted that the Sub- Committee on Customs Procedures (SCCP), the Sub-Committee on Standards and Conformance (SCSC) and the Investment Experts Group, have made significant contributions to the work of the CTI, including the tangible achievements in the areas of customs procedures and standards and conformance. Ministers particularly valued that the customs and international economy symposium in 1995 enhanced the dialogue and cooperation with the private sector.

18. Ministers agreed that there was an urgent need to examine issues which go beyond those contained the CTI work program to date. They endorsed the proposal made by the CTI to include these items in 1996 CTI work program.

VI. APEC Work Program Issues and Initiatives

19. Ministers welcomed the progress made by the ten working groups and other APEC fora. They reiterated that the activities undertaken by the working groups and other related fora were an integral part of APEC's efforts to contribute to the region's development and prosperity. Ministers approved the consolidated report of the APEC working groups.

Human Resources Development (HRD)

20. Ministers welcomed the formulation by the HRD working group of an annual work plan. They noted that the experts meeting to discuss news exchanges in higher education for the twenty-first century including the progress of the APEC study center was held twice in 1995 and that the next generations program had continued its first year's success. Ministers endorsed the implementation of the business volunteer program from 1996 with the establishment of a coordinating office in Bangkok. Ministers also welcomed the prospect of an HRD ministerial meeting in the Republic of the Philippines in 1996.

Industrial Science and Technology

21. Ministers noted that the industrial science and technology working group had initiated and conducted multiple new projects on industrial science and technology cooperation.

22. Ministers thanked the People's Republic of China for hosting the first APEC ministers' conference on regional science and technology cooperation in Beijing in October 1995. Ministers welcomed the decision to hold a second meeting in the Republic of Korea in 1996.

Small and Medium Enterprises (SMEs)

23. Ministers noted with satisfaction that the ad hoc SME policy level group had been launched, successfully conducting policy dialogue and joint activities focusing on five priority areas, namely management skills, access to information, technology, capital and access to markets.

24. Ministers thanked Australia for hosting the second small and medium enterprises ministerial meeting in Adelaide in September 1995 and welcomed the decision to hold a third meeting in the Republic of the Philippines in 1996.

25. Ministers noted the progress made on the APEC Center for Technology Exchange and Training for SMEs (ACTEC SME).

Infrastructure

26. Ministers emphasized the importance of infrastructure development to the continued growth of APEC economies, and reaffirmed the high priority they accorded to infrastructure-related projects. They thanked Indonesia for hosting a productive dialogue in Jakarta in September 1995 between the public and business/private sectors which identified impediments to infrastructure development and proposals for overcoming the problems.

Energy

27. Ministers noted the achievements of the expanded work programs of the energy working group during 1995. They welcomed the proposal to hold an APEC energy ministerial meeting in Australia in 1996 to provide support and guidance to the work of APEC in the field of energy.

Transportation

28. Ministers noted that substantial progress toward an integrated, safe, efficient and environmentally sustainable transportation system in the Asia-Pacific region had been made by the transportation working group.

29. Ministers thanked the United States of America for hosting the transportation ministers meeting in Washington D.C. in June 1995.

They noted that the guiding principles and the priorities for cooperation in the transportation sector, agreed by the transportation ministers, provide a framework for the improvement of the regional transportation system.

Telecommunication and Information

30. Ministers thanked Korea [as received] for hosting the first APEC ministerial meeting on telecommunications and information industry in Korea in May 1995, which set forth the Seoul declaration for the Asia-Pacific Information Infrastructure (APII). Ministers welcomed the decision to hold the second ministerial meeting on telecommunications and information industry in Australia in 1996.

31. Ministers noted with satisfaction that telecommunications working group had developed plans to promote the APII.

Tourism

32. Ministers noted that the tourism working group had concentrated its activities in the area of long term environmental and social sustainability of the tourism industry through research and analysis, human resources development and economic cooperation.

Sustainable Development

33. Ministers noted with satisfaction progress in the integration of environmental issues into ongoing activities by the relevant APEC fora. They welcomed the proposal to hold a ministerial meeting on sustainable development in the Republic of the Philippines in 1996.

Trade and Investment Data Review

34. Ministers welcomed the establishment of an APEC merchandise trade database. They also welcomed the trade and investment data review working group's plan to establish a separate database on trade in services and investment.

Trade Promotion

35. Ministers welcomed the role of the trade promotion working group in providing useful trade-related information to the APEC business community through the APEC net and the publication of an APEC trade-show directory. They noted that the working group had assisted with the 2nd meeting of the Asia Pacific Business Network (APB-Net II) held in October in Osaka.

Marine Resources Conservation

36. Ministers noted the outcomes of the programs of the marine resources conservation working group notably its dialogue with other organizations to coordinate efforts in implementing the oceans chapter of UNCED Agenda 21. Ministers welcomed the proposed program for management of red tide and harmful algal blooms in the APEC region.

Fisheries

37. Ministers noted the progress made by the fisheries working group in the areas of health and quality control for fisheries products and aquaculture, and welcomed the new work programs of the working group.

Agricultural Technology

38. Ministers thanked Chinese Taipei for hosting the first experts meeting on agricultural technical cooperation. Ministers endorsed the framework for agricultural technical cooperation and welcomed the proposed action plans. They also welcomed the decision to hold a second experts meeting in Chile in 1996.

VII. Partners for Progress

39. Ministers agreed to introduce and utilize "Partners For Progress" (PFP) as a new mechanism based on mutual assistance and voluntarism to promote economic and technical cooperation more efficiently within APEC. Ministers also noted the PFP should be particularly focused on cooperation which directly supports the liberalization and facilitation of trade and investment.

VIII. Organiizational Issues

1. APEC Secretariat

40. Ministers expressed appreciation for the excellent work done by the Executive Director Ambassador Shojiro Imanishi and the secretariat staff in supporting the various APEC committees and working groups and the APEC process as a whole. Ministers endorsed the recommendations set forth by the task force for the review of the APEC secretariat. They instructed the senior officials to begin implementing the recommendations as soon as possible.

41. Ministers expressed satisfaction with progress of the APEC Communications and Database System (ACDS) and urged members to make full use of the system. Ministers noted that the secretariat had produced a range of publications and had increased its efforts to circulate them to a wider audience.

2. Participation Issues

42. Ministers discussed the issues of non-member economies' participation in APEC working group activities submitted by the senior officials.

43. Ministers instructed the senior officials to continue their consideration of APEC's policy on new membership and observer status and to provide recommendations to the 1996 APEC ministerial meeting.

3. Establishment of the APEC Business Council

44. Ministers reaffirmed the central role of the business/private sector in the Asia-Pacific region, and recognized the importance of continued assistance from the business/private sector. Ministers agreed to establish the APEC Business Council (ABC), and asked the senior officials to submit a report on the organizational and financial aspects of the ABC to the 1996 APEC ministerial meeting.

4. Budget

45. Ministers commended the Budget and Administrative Committee (BAC) for its work in scrutinizing budget requests, streamlining procedures and examining ways to increase administrative and operational efficiency. Ministers endorsed a 1996 budget of U.S. dollars (subject to confirmation at the October senior officials meeting) drawn up by the BAC and recommended by senior officials. Ministers also approved the contribution levels totaling U.S. dollars 2,838,000 dollars [repetition of 'dollars' as received] recommended by senior officials for 1996.

IX. Other Matters

Preparations for the Eighth Ministerial Meeting

46. Ministers thanked the Republic of the Philippines for the valuable briefing on preparations for the eighth APEC ministerial meeting to be held in .... In 1996.

Venues for Future APEC Meetings

47. The eighth ministerial meeting will be held in the Republic of the Philippines in 1996, the ninth ministerial meeting will be held in Canada in 1997 and the tenth ministerial meeting will be held in Malaysia in 1998. Ministers welcomed the offer of .... To host the eleventh ministerial meeting in 1999.

48. Ministers and their delegations expressed their deep appreciation to Japan for the warm and generous hospitality extended to them and the excellent facilities and arrangements made available at the meeting.

APEC Leaders' 'Last-Ditch Efforts' on Issues

*OW1411065595 Tokyo KYODO in English
0643 GMT 14 Nov 95*

[FBIS Transcribed Text] Osaka, Nov. 14 KYODO — Senior bureaucrats from the Asia-Pacific Economic Cooperation (APEC) forum are making last-ditch efforts Tuesday to resolve pending issues ahead of a ministerial APEC meeting and summit later this week.

The thorniest problem — how to liberalize agricultural trade in the region — has almost been settled, with all members except one accepting a recent compromise proposal by Japan, chair of this year's APEC round, APEC sources said.

But views are still wide apart over trade principles of "nondiscrimination" and "comparability," said the sources.

"These issues will probably be left to a political decision by APEC ministers and leaders," one Japanese Government official said.

On the second day of high-level APEC sessions, vice ministerial-level APEC officials devoted much of their time to bilateral meetings with concerned parties, looking for any ways to craft a final draft of the so-called action agenda.

The action agenda is to serve as a blueprint for how to transform the APEC region, which accounts for nearly 50 percent of global trade, into a free and open trade and investment zone by 2020.

The ongoing efforts provide APEC with a last chance to wrap up conflicting views before the start of the main Osaka APEC gatherings — a two-day ministerial meeting from Thursday and the third informal meeting of the 18 APEC leaders on Sunday.

Japanese International Trade and Industry Minister Ryutaro Hashimoto, who arrived in Osaka earlier in the day, told reporters, "As a chair of the ministerial meeting, I'll do my best to narrow the differences."

Attempts by Japan and three other members — China, South Korea and Taiwan — to protect their domestic farm sectors have triggered a dispute with the rest of the APEC members, especially agricultural-exporting economies such as the United States and Australia.

At issue is whether all industrial sectors, including sensitive areas such as agriculture, should be covered by

APEC's "comprehensive" principle, one of nine general principles to be adopted in the action agenda.

Apparently as a means of enabling special consideration for sensitive sectors in the actual enforcement of the comprehensive principle, Japan introduced a principle to allow "different treatment of economic sectors" in accordance with "sectoral specificity."

That, however, angered the U.S. and Australia, which claimed the idea would virtually allow sensitive sectors such as agriculture to be excluded from the principle of comprehensive liberalization.

Japan recently proposed softening the wording by dropping the specific phrasing "different treatment of economic sectors" and "sectoral specificity," a move well received by the rest of the APEC members except for Seoul, which is sticking to the two phrases, apparently to give to its farmers an assurance of protection, the sources said.

"Despite Seoul's opposition, the farm issue has been virtually resolved," said an official at Japan's trade ministry.

With the farm issue near a resolution, attention is shifting to the lengthy wrangling between Washington and Beijing over the nondiscrimination principle, the APEC sources said.

The issue is related to feuding between the U.S. and China over most-favored-nation (MFN) status.

Beijing claims nondiscriminatory or MFN treatment should be ensured within the APEC region.

But Washington cannot technically make that assurance to China because of a Cold War-era law that requires annual renewal of the right of communist countries to MFN status.

Beijing is eager to establish a nondiscriminatory rule within the APEC region as it has undergone rigorous screening by the U.S. in annual MFN renewal.

Views are still far apart among APEC members over to what extent each APEC member should seek reciprocity in implementing certain trade liberalization steps, the sources said.

APEC economies such as the U.S. are said to be seeking a rigid rule for the "comparability" principle while less developed economies such as China are reluctant about introducing a negotiation-oriented approach in APEC.

APEC members are also divided over competition policy and nontariff trade barriers, both part of 15 specific areas covered by the action agenda, the sources said.

Concerned about the abusive use of dumping duties by advanced nations, China wants a specific wording rejecting such duties included in the action agenda, while members like the U.S. are against such wording, the sources said.

Regarding nontariff barriers, APEC members have yet to reach a consensus on whether export subsidies should be scrapped or reduced, they said.

Japan

Clinton's Decision on APEC Trip Welcomed

OW1411002995 Tokyo KYODO in English 0007 GMT 14 Nov 95

[FBIS Transcribed Text] Washington, Nov. 13 KYODO — The Japanese Embassy in Washington on Monday [13 November] welcomed U.S. President Bill Clinton's decision to make a planned trip to Japan despite domestic pressures that caused him to shorten the visit.

"We had hoped the president would be able to visit as scheduled, but at the same time, understand the domestic situation that led to his decision," the embassy said in a statement.

"We further appreciate the fact the president decided to press forward with his plans for the visit, which we believe, demonstrates the great importance the administration attaches to its relationship with Japan and to Asia-Pacific cooperation."

Earlier Monday, a White House spokesman said Clinton would shorten the visit because the political impasse over the federal budget is threatening to shut down the government.

Clinton is now to leave for Japan at 11 P.M. Friday and return to Washington at 2 A.M. Tuesday. The original plan had him departing Thursday and returning later Tuesday.

The new schedule allows Clinton to attend the weekend summit in Osaka of the Asia-Pacific Economic Cooperation forum, to meet Japanese Prime Minister Tomiichi Murayama and to attend a state dinner at the Imperial Palace in Tokyo on Monday.

Analyst Discusses Base Issues, Security Alliance

OW1411131195 Naha OKINAWA TIMES in Japanese 10 Nov 95 Morning Edition p 2

[Interview with Yukio Okamoto, diplomatic analyst and former Foreign Ministry official, by the OKINAWA TIMES reporting team on base issues; part one of the series "The Security Treaty and Okinawa"; place and date not given; first paragraph is OKINAWA TIMES introduction]

[FBIS Translated Text] Base-related issues in Okinawa, including the review of the Japan-U.S. Status of Forces Agreement [SOFA], and the reorganization and reduction of the bases, passed a turning point with the Murayama-Ota talks. The immediate focal issues will now be on how the bases in Okinawa will be handled at the Japan-U.S. summit talks on 20 November, and what will happen with the procedures for the forced use of land for military bases. We interviewed experts and scholars specializing in the Japan-U.S. security alliance and the base issues.

[OKINAWA TIMES] What, do you think, led to the rape incident involving U.S. soldiers having an impact on even the bilateral security arrangements?

[Okamoto] This has a lot to do with the fact that Japan has not dealt with the contradiction in the Okinawa issue adequately. The contradiction here is the excessive burden imposed by the military bases on Okinawa. Although the incident [that led to such awareness] was tragic, mainland Japan has finally come to understand this, and it now has to face the problem.

[OKINAWA TIMES] How does the United States perceive this incident and the present debate on the security treaty?

[Okamoto] The United States is more indignant than Japan over the incident. It is a country that traditionally has a strict legal system and a stern social attitude [on such crimes]. There is strong indignation against such crimes. Furthermore, since this has the potential of undermining the very foundation of the security alliance, the United States was unusually quick in allowing the turnover of suspects.

The United States has a total of 40 SOFA's with the countries of the world. The SOFA with Japan is the most favorable, if you take into consideration the way it is implemented. This shows how seriously the United States perceives the problem.

[OKINAWA TIMES] What do you think of the government's response to this incident?

[Okamoto] I think at the administrative level, the Ministry of Foreign Affairs and the Defense Agency are doing what they can to find a point of compromise between the maintenance of the security setup and reducing the burden on Okinawa. However, the politicians have not exercised their leadership. There has not been any tangible policy reflecting their thinking on the problem. Those in a responsible position need to state clearly what they want to do with the bilateral security arrangements, and what they think of the alliance from now on.

If they want to maintain the security alliance in its present form, there is the question of the burden on Okinawa. What do they plan to do about that? What is the extent of Okinawa's tolerance? If they plan to maintain the security setup, they need to explain to the people before the summit meeting with President Bill Clinton. It is unfair that 75 percent of U.S. military bases are concentrated [in Okinawa] even if the historical circumstances are taken into consideration. For a long time, mainland Japan has pretended to be ignorant.

[OKINAWA TIMES] Do you think it is possible to reorganize and retrench U.S. military bases in Okinawa?

[Okamoto] Considering the significance, role and indispensability [of U.S. bases in Okinawa], I think there is a limit to the reduction that can be done. Theoretically, there are only three ways to lessen the burden of the bases on Okinawa. The first would be reorganization and consolidation. This is different from retrenchment; it means consolidating the functions of the existing bases to reduce the land area of U.S. facilities. The second would be the partial relocation of some functions to the mainland. The third would be abolishing some functions, or moving them to the United States.

Japan and the United States should talk seriously about this. They should think about whether it is really necessary to locate the bases in Okinawa, and whether is it necessary to continue stationing one of the only three existing U.S. Marine forces in the world in Okinawa alone. The United States has vast territory. Some exercises, such as live-fire exercises, may be more effectively conducted at home. These issues should be discussed.

[OKINAWA TIMES] Even people on the mainland are starting to oppose the relocation of live-fire exercises that are conducted across Prefectural Highway 104.

[Okamoto] The anti-base movement on the mainland is partly a result of the mainlanders' selfishness. When I was with the Foreign Ministry, I dealt with opposition movements both on the mainland and in Okinawa. The problem in Okinawa is more serious.

[OKINAWA TIMES] What is your thinking on the redefinition of the security alliance?

[Okamoto] Japan's response this time is too shortsighted. Japan has only three options with regard to security: to be totally defenseless, to increase the Self-Defense Forces significantly, or to continue with the present arrangements. I think our only choice is to continue with the present bilateral security setup. The government should explain this policy clearly to the people to form a national consensus. Moreover, the mainland should not simply enjoy the benefits while passing on the burden to Okinawa only.

Article Views Base Issue in Summit Talks

OW1411020495 Tokyo SANKEI SHIMBUN in Japanese 9 Nov 95 Morning Edition p 2

[Part one of three-part series by Masayuki Takahashi: "Shaky Japan-U.S. Alliance: The 20 November Summit" — "Pandora's Box"]

[FBIS Translated Text] Issues related to the U.S. military bases on Okinawa, the redefinition of the Japan-U.S. Security Treaty, the decision to kick Daiwa Bank out of the United States, and the suspected eavedropping by the Central Intelligence Agency (CIA) tough issues that symbolize strained bilateral relations — will be taken up at the Japan-U.S. summit meeting between Prime Minister Tomiichi Murayama and U.S. President Clinton on 20 November. A "Japan-U.S. Joint Statement on Security" defining the bilateral alliance relationship in the post-Cold War period will also be issued after the summit. How will the two leaders overcome all obstacles and repair the Japan-U.S. alliance? It is hoped that they will exercise leadership.

In response to a telephone query by a senior Defense Agency [DA] official in early October, a senior U.S. Defense Department official answered unequivocally: "We will consider all Japanese proposals. We are also willing to reexamine the functions of the military bases on Okinawa."

At that time, the Japanese Government was very much distressed by the problems related to the U.S. military bases in Okinawa that surfaced after the rape of a schoolgirl by U.S. soldiers.

Under the Japan-U.S. Status of Forces Agreement [SOFA], the transfer of custody of suspects can only take place "after indictment." There was a growing outcry over the inequality of this provision compared with the SOFA with Germany, under which "the turnover of suspects takes place as a gesture of the good will of the United States." The senior DA official was making an unofficial inquiry of the Defense Department official, who is a personal friend.

Subsequently, at a government meeting this DA official conveyed the message that the United States might be willing to review the SOFA and discuss reorganizing and consolidating the bases. He then recommended forming a consultative body between the two countries to start discussions.

However, the reaction of other meeting participants was not favorable. "Will this not be opening up Pandora's box?" "A review of the SOFA will heighten expectations on the Japanese side, and this is not good."

There was concern that during bilateral discussions the United States may raise the question of the "lopsidedness" of the Japan-U.S. Security Treaty, where the United States is required to take responsibility for Japan's defense, while Japan has nothing to do with the United States' defense. It was believed that it would be better not to touch the SOFA, which exists in a delicate balance. Partly because of such sentiments on the part of government officials, there was considerable opposition to the DA official's proposal, and it was finally dropped.

On the other hand, this DA official also met with Social Democratic Party of Japan [SDPJ] Diet members close to the prime minister to convince them of the need to have a bilateral consultative body. This is because the SDPJ's attitude is a key factor in this issue. As Foreign Minister Yohei Kono said to Chief Cabinet Secretary Koken Nosaka at a meeting of cabinet members concerned with the issue on 12 October, "The governor of Okinawa is a reformist. This problem cannot be solved without your help."

However, the SDPJ Dietmen approached by the DA official kept taking notes, and did not show an active interest in going into consultations within the ruling parties.

It was not until 22 October, about 10 days later, that the Japanese Government finally took some action. This was because Defense Secretary William Perry said in an interview that the United States "will consider all proposals from the Japanese Government." Until then, although Murayama had declared his determination to "stake the cabinet's fate on dealing with the issue," top government officials had taken diverse positions in their statements on reorganizing and consolidating the U.S. military bases and on reviewing the SOFA, which added to the confusion.

The decision to create a new forum to resolve issues related to the U.S. military bases was finally made on 1 November, during the meeting between Perry, Kono, and DA Director General Seishiro Eto. Several weeks had elapsed since this was first suggested by the aforementioned DA official.

A top government official admits that the administration has not handled this problem aptly. He says: "Is the Japan-U.S. relationship so fragile that the two countries cannot say unpleasant things to each other? A sound alliance can only develop with both sides presenting their ideas on resolving a problem. If we proceed with the predetermined conclusion that anything that may lead to a SOFA revision should be avoided, we cannot respond to the situation realistically."

In contrast to the United States, which was open to consultations on a solution, Japan did not want to enter into discussions for fear of the possible outcome. Although this undeniably reflected the strain in Japan-U.S. security relations, this gap in the two sides' perception of the security alliance served to increase the United States' skepticism.

When Harvard University Professor Ezra Vogel visited Koichi Kato, secretary general of the Liberal Democratic Party [LDP], at LDP headquarters on 26 October he complained: "People in the ruling parties should speak up more about the importance of the security arrangements."

The Japan-U.S. Joint Statement on Security, which will be announced at the upcoming bilateral summit talks, is aimed at redefining new roles for and the significance of the bilateral security treaty in this year that marks the 50th anniversary of the war's end. In other words, leaders of the two nations seek to confirm that the Japan-U.S. alliance is the most important relationship in securing peace and stability in the Asia-Pacific region.

Professor Vogel, who had engaged in formulating the "Strategy for East Asia-Pacific Security" that emphasizes the significance of the bilateral alliance, paid a sudden visit to Japan last February with U.S. Assistant Defense Secretary Joseph Nye. (According to an official involved with foreign affairs), the United States has begun doubting "whether Japan really understands the significance of the bilateral security arrangements," and Vogel's sudden visit illuminated such U.S. sentiment.

Even if an emergency arises in the Far East, Japan will be unable to support U.S. forces in Japan outside its territorial sea airspace. Thus, "the biggest Achilles' heel in the bilateral security arrangements" remains intact, (as stated by a senior Self Defense Forces officer). Although in 1993 the United States urged that Japan study ways to deal with a possible emergency on the Korean Peninsula, Japan has shelved this matter.

The SDPJ has been concerned about the possibility that fulfilling the U.S. request would be contrary to the interpretation of the Japanese Constitution's Article 9, which bans the use of the collective self-defense right. (According to a senior Liberal Democratic Party official), if the present ruling coalition makes any decision on this matter, a "serious conflict" will arise among the ruling parties. "Although the prime minister wants to exert his leadership, he is in an awkward position due to the coalition framework," (the same official stated). It is under such circumstances that Prime Minister Murayama, who upholds the slogan "Secure the maintenance of the Japan-U.S. security arrangements," will enter the summit.

Tokyo Urges UN Resolution To Curb Small Arms

OW1311131795 Tokyo KYODO in English
0941 GMT 13 Nov 95

[FBIS Transcribed Text] New York, Nov. 13 KYODO — Japan has submitted to the UN General Assembly a resolution that urges the world body to curb the spread of small arms such as automatic rifles and other ordnance such as landmines, Japanese UN officials said Monday [13 November].

The resolution, which was tabled together with South Africa and two other countries, calls for a thorough analysis of trade in small arms and measures to prevent excessive stockpiling of such weapons.

The resolution is expected to be adopted by a large majority. It will be the first time for the United Nations to focus on small arms, which have drawn little attention in the past compared with nuclear arms and other weapons of mass destruction.

In January, UN Secretary General Butrus Butrus-Ghali stressed the need for action on small arms, noting that tens of thousands of people are killed by such weapons every year.

Japanese Prime Minister Tomiichi Murayama proposed at a UN disarmament conference in Nagasaki in June that a panel of experts under the UN secretary general should be established to discuss measures to curb the spread of small arms aimed at preventing regional conflicts.

According to the resolution, such a panel would group Butrus- Ghali and representatives from each UN member state.

The panel would be asked to list within two years the different kinds of small arms that are being used in regional conflicts, research the illegal production and trafficking of small arms, and design measures to prohibit excessive stockpiling and reduce small arms arsenals.

The resolution also spells out the concerns of Japan, where the private possession of firearms is prohibited, about the proliferation of small arms through crime syndicates and drug cartels.

Mayor Urges Tokyo To Reflect Over Nuclear Arms

OW1311053795 Tokyo KYODO in English
0458 GMT 13 Nov 95

[FBIS Transcribed Text] Nagasaki, Nov. 13 KYODO — Nagasaki Mayor Itcho Ito urged the Japanese Government Monday [13 November] to reflect on its stance regarding the "legality" of the use of nuclear weapons, but said his trip to the International Court of Justice achieved its goals.

Ito had just returned to Nagasaki after visiting The Hague in the Netherlands and appearing before the International Court of Justice (ICJ) with Hiroshima Mayor Takashi Hiraoka.

Both mayors denounced nuclear warfare as a violation of international law, citing the "enormous, indiscriminate devastation to civilian lives."

The Japanese Foreign Ministry, however, would only go so far as to say the use of nuclear weapons is against the spirit of humanity but avoided a clear-cut position on the legality of nuclear warfare.

Ito told reporters, "it would have been [words indistinct] Nagasaki and Hiroshima had made the declaration with [words indistinct] step."

"But, it came to this because in the 50 years since the end of the war, Japan — as the only nation to be attacked with atomic bombs and a country which seeks the elimination of atomic weapons — has never settled on a direction," said Ito.

"I would like the state to reflect upon the things that need reflection and then get in step with the times and assume some leadership in the world," he said.

Ito was generally positive about his appearance before the ICJ, saying, "there were complications, but we made a declaration in a form that intensifies the voice of the citizens of the cities that were atomic-bombed, and we realized our original aim."

But he was not optimistic about the court's anticipated decision next spring.

"The prospects are not bright. So, as a city that was devastated by an atomic bomb, we must continue with our appeals," Ito said.

At The Hague, Ito argued that attacks on civilian communities along with the infliction of unnecessary suffering and the destruction of the environment are prohibited under international law and, therefore, the use of nuclear weapons is a violation of international law.

The ministry had pressured the mayors to delete the controversial passages on the illegality of nuclear warfare from their statements, but backed down after Chief Cabinet Secretary Koken Nosaka intervened.

The World Court began hearing UN member states' views on the matter after the World Health Organization and the United Nations asked the court for an advisory opinion.

Murayama Denounces Annexation Treaty on Korea

OW1411121495 Tokyo KYODO in English 1154 GMT 14 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO — Prime Minister Tomiichi Murayama acknowledged Tuesday [14 November] that Japan's 1910 annexation of the Korean peninsula was the result of an "unequal" treaty in the era of imperialism, the Foreign Ministry said.

In a personal letter to South Korean President Kim Yong-sam, the premier noted the treaty was concluded unfavorably for Korea against the background of power balance between the two countries in those days, the ministry said.

Murayama was also quoted as saying in the letter, "it was undoubtedly a treaty in the era of imperialism that did not allow national self-determination and dignity."

Japanese Ambassador to South Korea Shintaro Yamashito handed the letter to South Korean Foreign Minister Kong No-myong in Seoul on Tuesday.

Murayama sent the letter ahead of his summit meeting with Kim in Osaka on Saturday.

The letter is apparently intended, in advance of the summit, to smooth bilateral relations that have been strained since Murayama's comments that Japan views its annexation of Korea as a product of a legally valid treaty.

Earlier this week, the Murayama-Kim summit was in danger of being called off due to a diplomatic spat over a Japanese cabinet minister's remark that Japan's colonial rule of the Korean peninsula until 1945 "did some good."

The minister, Management and Coordination Agency chief Takami Eto, stepped down Monday in the face of South Korea's mounting anger about his comments.

Murayama also reiterated in his letter that Japan's policy toward the Korean peninsula is based on promotion of bilateral relations with South Korea.

The premier said Japan wishes to normalize ties with North Korea and help ensure peace and stability on the peninsula, according to the Foreign Ministry.

He made it clear Tokyo will deal with Pyongyang in close consultation with Seoul, paying special heed to progress in north-south relations.

Murayama also said Japan will not extend any full-scale economic cooperation to North Korea prior to the normalization of bilateral relations, adding its provision of rice earlier this year was an isolated case.

MOFA: Murayama 'Will' Meet Kim in Osaka 18 Nov

OW1411081095 Tokyo KYODO in English 0727 GMT 14 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO — Prime Minister Tomiichi Murayama will meet South Korean President Kim Yong-sam in Osaka on Saturday morning [18 November], the Ministry of Foreign Affairs [MOFA] said Tuesday.

The announcement came the day after Management and Coordination Agency chief Takami Eto resigned over a diplomatic row between Tokyo and Seoul over his remarks on the 1910-1945 Japanese colonial rule of the Korean peninsula.

South Korea had warned that Kim would cancel his meeting with Murayama if Eto did not step down.

Kim is scheduled to visit Osaka later this week to attend a summit meeting of the Asia-Pacific Economic Cooperation (APEC) forum.

Prior to the Japan-South Korean summit, Foreign Minister Yohei Kono will meet his South Korean counterpart Kong No-myong in Osaka on Wednesday afternoon, the ministry said in a statement.

It said Kono, Kong and U.S. State Secretary Warren Christopher will meet in Osaka on Friday afternoon.

At the tripartite meeting, the North Korean nuclear issue is expected to be on the agenda, ministry sources said.

New Minister Pledges 'To Be Careful' in Speech

OW1411043595 Tokyo KYODO in English 0335 GMT 14 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO — The new head of the Management and Coordination Agency said Tuesday [14 November] he will make the utmost effort as a cabinet member to be careful in his speech and action for betterment of Japan-South Korea ties, complying with Prime Minister Tomiichi Murayama's statement Aug. 15, which included a clear apology for Japan's actions during World War II.

Masaaki Nakayama, 63, a former posts and telecommunications minister, was appointed director general of the agency following the resignation Monday of his predecessor, Takami Eto, over his remark that Japan did some positive things for Korea during its rule from 1910 to 1945.

At a news conference at the Prime Minister's Official Residence, Nakayama said that Japan should have special consideration for its relations with South Korea.

In addition, Nakayama noted the importance of good relations between Japan and the Korean peninsula generally, citing Japan's cultural debt to the area and long history of exchanges with it.

In naming him as Eto's successor, government officials said, Murayama asked Nakayama to observe the spirit of the premier's Aug. 15 statement which marked the 50th anniversary of the end of World War II.

It included a promise that Japan would do its best to "foster relations with all countries based on deep understanding and trust," particularly emphasizing ties with Asian neighbors.

Upon his new appointment, Nakayama told Murayama, "naturally, the Aug. 15 statement must be observed," according to the officials.

Nakayama is a member of the Liberal Democratic Party, the dominant force in Murayama's three-party coalition. He has been elected to the House of Representatives nine times from Osaka, where there is a large number of ethnic Korean residents.

Nosaka Urges Tokyo To Dispel ROK, PRC Suspicions

OW1411123495 Tokyo KYODO in English 0951 GMT 14 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO — Japan should do its utmost to dispel suspicion harbored by South Koreans and Chinese over a series of remarks by politicians concerning Japan's history with the two nations, a government spokesman said Tuesday [14 November].

"We must wipe away the feeling of distrust once and for all," Chief Cabinet Secretary Koken Nosaka told a news conference, referring to south korean and Chinese leaders' denunciations of some Japanese lawmakers' views of history.

At summit meetings with South Korean President Kim Yong-sam and Chinese President Jiang Zemin in Osaka later this week, Prime Minister Tomiichi Murayama will reiterate Japan's official stance concerning the historical relationships with the two nations, Nosaka said.

The spokesman said the premier will seek their understanding of his Aug. 15 statement in which he expressed a clear apology for Japan's atrocities in neighboring Asian countries before and during World War II.

After their summit in Seoul on Tuesday, Kim and Jiang blasted Japan for having representatives in parliament who have erroneous historical views, especially in relation to South Korea and China.

The move came a day after Japan's state minister and head of the Management and Coordination Agency chief Takami Eto resigned to take responsibility for his remarks that Japan did some "good things" during its 1910-1945 colonial rule of the Korean peninsula.

Meanwhile, Foreign Ministry spokesman Hiroshi Hashimoto told a separate news conference that Tokyo will seize every opportunity to explain its official views on history to South Korea and China.

APEC Farm Issue Said 'Virtually Resolved'

OW1311164595 Tokyo KYODO in English 1608 GMT 13 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 13 KYODO — The Asia-Pacific Economic Cooperation (APEC) forum basically struck consensus Monday [13 November] night on the regional forum's thorniest issue — agricultural trade — as almost all of APEC's 18 members accepted a recent compromise proposal by Japan, APEC sources said.

In last-ditch efforts toward APEC's third informal summit next Sunday, senior APEC officials in the Asia-Pacific Rim accepted a Japanese proposal that the wording on a key trade principle be softened from a previous version, the sources said.

"Differences have been narrowed significantly," one Japanese Government official said.

The senior officials were holding last-minute preparatory sessions before a two-day APEC ministerial meeting from Thursday and the leaders' meeting Sunday.

The high-level sessions until Tuesday are meant to provide the finishing touches to the action agenda, a set of guidelines to achieve the APEC leaders' commitment to free trade made in Bogor, Indonesia, last November.

At issue is whether or not APEC accords or rules should be applied to all industrial sectors, including sensitive areas such as agricultural trade, in a comprehensive manner.

Japan and three other members — China, South Korea and Taiwan — say they basically support a "comprehensive" principle but some flexibility is needed in the actual enforcement of the rule.

In order to have that stance reflected in the action agenda, Japan has proposed a "diversity" principle for APEC's set of general principles to be endorsed by the APEC leaders Sunday.

Specifically, the diversity principle drafted by Japan states, "flexibility will be exercised in allowing different treatment of economic sectors in the liberalization and facilitation process, taking into account the sectoral specificity in each member economy."

But some APEC members, especially the United States and Australia, have reacted sharply against the idea, saying the term "sectoral specificity" would virtually allow sectors such as agriculture to be excluded from the principle of comprehensive liberalization.

As a means to break the impasse, Japan recently proposed dropping the term "sectoral specificity" while keeping the idea of "flexibility," according to Japanese Government sources.

Japanese officials said Japan is coordinating conflicting views on the issue on the basis of the new Japanese proposal.

The sources said the only member yet to accept the new proposal is South Korea, which is said to be the most vocal in the Japanese camp on "flexibility" in the comprehensive trade principle, saying the two phrases — "different treatment of economic sectors" and "sectoral specificity" — should be kept intact in the final version of the diversity principle.

Ban Ki-moon [name as received], head of a high-level South Korean delegation, told reporters Monday, "There is no change yet (in Seoul's stance). We are still discussing it."

"Despite Seoul's opposition, the farm issue has been virtually resolved," said an official at Japan's trade ministry.

The Japanese official said that besides agriculture, three other issues are still pending.

"But we will stop talking about these issues after the Tuesday morning session and will clarify which issues should be left to a ministerial judgment," he said.

Another difficult issue is APEC's principle of "nondiscrimination," which conflicts with a feud between the United States and China over most-favored-nation (MFN) trading status.

Beijing says nondiscriminatory treatment should be ensured with the APEC region.

But Washington cannot technically make that assurance to China because of a Cold War-era law that requires annual renewal of the right of communist countries to MFN status.

Beijing is eager to establish a nondiscriminatory rule within the APEC region as it has undergone a rigorous screening by the U.S. in annual MFN renewals.

"Japan may play a mediating role in the dispute between the U.S. and China by offering a mutually acceptable proposal. But the issue would not be that easy given its highly political nature," another Japanese briefer said.

Views are still apart among APEC members over to what extent each APEC member should seek reciprocity in implementing certain trade liberalization steps, the Japanese officials said.

APEC economies like the U.S. are said to be seeking a rigid rule for the "comparability" principle, while China and Malaysia are reluctant to introduce a negotiation-oriented approach in APEC.

APEC members are also divided over competition policy, one of 15 specific areas covered by the action guidelines, the officials said.

China wants specific wording rejecting antidumping duties included in the guidelines while the U.S. And other members are against such wording, the officials said.

Tokyo Urged To Take Greater Role in EAEC

OW1011104995 Tokyo KYODO in English 1014 GMT 10 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 10 KYODO — Japanese and Southeast Asian business leaders issued a joint statement Friday [10 November] calling for greater Japanese participation in meetings between ASEAN, Japan, China and South Korea.

Japan's active involvement is expected to accelerate progress in laying the framework and the premises for future cooperation among countries in East Asia, said the statement issued at the end of a three-day meeting in Osaka by business leaders from Japan and the Association of Southeast Asian Nations (ASEAN).

Sources familiar with the meeting, the 21st of its kind, said the statement deserves attention as it represents virtual recognition by business circles of the East Asia Economic Caucus (EAEC) scheme promoted by Malaysian Prime Minister Mahathir Mohamad.

The regional economic cooperation scheme envisages participation by the seven ASEAN nations, Japan, China and South Korea, excluding the United States, Australia and New Zealand.

The business conference, sponsored by the Japan Association of Corporate Executives, adopted the statement as a proposal to the Osaka Meeting of the Asia-Pacific Economic Cooperation (APEC) forum due to start next week.

At a press conference after the meeting, Jiro Ushio, the association's chairman, said he will hand over the statement to Foreign Minister Yohei Kono or Vice Foreign Minister Sadayuki Hayashi next week.

The statement also called for Japan to accelerate the pace of market opening and deregulation for the promotion of liberalization in APEC, adding that such liberalization should not result in the establishment of a trade bloc.

MOF Sponsors Customs Standardization Symposium

OW1011103995 Tokyo KYODO in English 1003 GMT 10 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 10 KYODO — An international economic symposium wrapped up a two-day session Friday [10 November] with a call for the standardization of customs clearance procedures to promote investment in the Asia-Pacific region.

The session was organized by the Ministry of Finance [MOF] ahead of an informal meeting of leaders from the Asia-Pacific Economic Cooperation (APEC) forum in Osaka next week.

Six experts, including customs officials from China and South Korea, engaged in discussions on the theme of the impact of smooth customs clearance on the APEC's trade and investment.

MOFA Announces Emergency Aid to Philippines

OW0911102495 Tokyo KYODO in English 0928 GMT 9 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 9 KYODO — Japan will extend emergency aid totaling nearly 50 million yen to the Philippines which was hit by a powerful typhoon last week, the Ministry of Foreign Affairs [MOFA] said Thursday [9 November].

The aid consists of 300,000 dollars, or 29.4 million yen, in financial aid and 20.6 million yen worth of goods such as tents and blankets, the ministry said.

Heavy rain from a large typhoon hit the central part of the Philippines, killing or leaving missing some 530 people and causing great damage to the area.

Taiwanese Lawmakers Reject Wartime Wages Talks

OW0911143695 Tokyo KYODO in English 1320 GMT 9 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 9 KYODO — Legislators from Taiwan concluded two days of talks in Tokyo on Thursday [9 November] dissatisfied with the Japanese Government's stance on paying wartime back wages to former Taiwanese soldiers in the Japanese Imperial Army.

The seven-member suprapartisan group from Taipei was demanding that Japan pay 2,000 times the unpaid wages from World War II to the soldiers and auxiliary members of the Japanese military from the former colony.

Japanese Government representatives who met with the Taiwanese delegation reiterated Tokyo's offer to pay 120 times the wages unpaid from the end of the war to compensate for the wages and inflation.

The Taiwan parliament adopted a resolution last month calling for positive negotiations with Japan over the issue and dispatched the delegation to Tokyo. It was the first visit to Japan for such a delegation from Taipei.

Delegation chief Ko Yu-chin told reporters, "During the war, we fought as soldiers and subjects of the emperor for Japan, but after the war, as foreigners we did not receive any compensation and this we cannot agree to."

Taiwan was under Japanese colonial rule from 1895 to the end of World War II in 1945.

Financial Failures Draining DIC Reserves

OW1011095795 Tokyo KYODO in English 0857 GMT 10 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — A Japanese Government panel broadly agreed Friday [10 November] that Deposit Insurance Corp.[DIC] should have the function of investing in entities which take over the operations of failed financial institutions, Finance Ministry officials said.

A working group on the deposit insurance system under the Financial System Research Council also generally accepted that Tokyo Kyodou Bank should be a provisional bridging bank functioning to collect loans, the officials said.

The council is an advisory body to the finance minister.

Tokyo Kyodou Bank was set up in January by the Bank of Japan and the private banking sector to take over the operations of two failed credit unions — Tokyo Kyowa Credit Association and Anzen Credit Bank.

Deposit Insurance Corp. was set up in 1971 to guarantee deposits in case of financial failures. It was designed to offer grants to entities taking over failed banks and pay back a maximum of 10 million yen principal per deposit, but the latter, so-called "payoff" system, has never been implemented.

The corporation currently collects premiums at the annual rate of 0.012 percent from Japanese financial institutions, which together pay about 60 billion yen in premiums a year.

But as the corporation's reserves are likely to run dry because of the recent series of financial failures, the working group discussed the advisability of introducing a provisional system for five years to collect extra premiums, the officials said.

Working group members agreed that Deposit Insurance Corp. needs additional funds, but some were cautious about the idea of collecting extra premiums, the officials said.

Some members argued that it is debatable whether such premiums should be collected uniformly from all financial institutions, given that the corporation's funds might tend to flow toward a certain section of the banking industry, the officials said.

MOF: Banks Hold Y37.39 Trillion in Bad Loans

OW1411124395 Tokyo KYODO in English
1113 GMT 14 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO — Japanese financial institutions' bad loans at the end of September totaled 37.39 trillion yen [Y], of which 18.29 trillion yen will be nonrecoverable, the Ministry of Finance [MOF] said Tuesday [14 November].

The figures updated the ministry's estimates of about 40 trillion yen in problem loans, including 10 trillion yen to 15 trillion yen in irrecoverable loans, at the end of March.

The ministry revised the previous estimates based on information received from all financial institutions nationwide concerning their business results for the half-year period ended Sept. 30, ministry officials said.

The figures, which were presented to the financial system research council, do not include bad loans left by recently failed financial institutions — about 380 billion yen by Cosmo Credit Corp., some 1 trillion yen by Kizu Credit Union and about 1.5 trillion yen by Hyogo Bank, the officials said.

The financial system research council is an advisory body to the finance minister.

The disclosed bad loans comprise loans to borrowers in legal bankruptcy, those with interest payments in arrears by more than six months, and restructured loans with interest exempted or reduced below the official discount rate offered by the Bank of Japan at the time.

It does not include loans extended to housing loan companies by agricultural-affiliated financial institutions with interest of 4.5 percent per year, the officials said. Such loans totaled 4.92 trillion yen at the end of September, they said.

The 18.29 trillion yen in irrecoverable loans, however, does include possible losses of about 7.7 trillion yen incurred through problem loans to housing loan companies, they said.

A ministry official said, "Japan's banking industry as a whole has the capacity to overcome the bad-loan problem in the years to come."

The official cited 9.5 trillion yen in combined reserves for loan losses, 4.1 trillion yen in net operating profits for the first half of fiscal 1995 and 20.3 trillion yen in latent profits from the sale of securities holdings.

The ministry will continue to reveal the outstanding totals of bad loans and possible losses every six months until the disclosure by individual financial institutions is fully overhauled, the ministry officials said.

They added that the 21 major commercial banks intend to start disclosing their outstanding restructured loans in their business reports for the first half of fiscal 1995, to be released later this month. This disclosure will come on top of their already disclosed bad loans — loans to bankrupt firms and those overdue for six months or more.

By sector, bad loans at 11 major commercial banks, better known as "city" banks, totaled 13.09 trillion yen, those at three long- term credit banks came to 3.97 trillion yen and those at seven trust banks amounted to 6.30 trillion yen, the ministry said.

Regional banks held 4.95 trillion yen in bad loans, second-tier regional banks 2.79 trillion yen and the remainder, such as credit associations, credit unions and Norinchukin Bank, 6.30 trillion yen, it said.

The latest figures do not include bad loans at insurance companies.

Takemura Urges Deficit Bond Issue in FY96

OW1411032895 Tokyo KYODO in English
0325 GMT 14 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO — Finance Minister Masayoshi Takemura declared Japan's fiscal condition critical Tuesday [14 November], noting the need to issue deficit-covering bonds in the fiscal 1996 budget.

Takemura said the gap between government revenues and expenditures is estimated to top 10 trillion yen in the fiscal year starting in April 1996.

"The government cannot avoid issuing deficit-covering bonds to finance the fiscal 1996 budget," Takemura said.

For initial budgets in the previous six fiscal years, the government issued no bonds without specific resources for redemption.

According to estimates made by the Finance Ministry, budgetary spending for fiscal 1996 is expected to top revenues by 11.52 trillion yen.

Tax and other revenues for fiscal 1996 are estimated at 66.5 trillion yen, while general-operating and other expenditures are projected at 78.02 trillion yen, ministry officials said.

Tax revenues for fiscal 1996 are estimated at 53.73 trillion yen, falling short of the level projected in the initial 1995 budget by about 1 billion yen, they said.

Takemura, though he did not refer to the specific amount of deficit bonds for the new fiscal budget, said the ministry will do its best to keep the level low by promoting a cut in expenditures and other fiscal reform.

He stressed the need to reconstruct Japan's fiscal condition over the medium- and long-term.

It is unusual for the ministry to reveal fiscal outlooks ahead of compiling a national budget.

"The ministry decided to announce budgetary conditions for fiscal 1996 to promote disclosure of information and seek the people's understanding of the strict fiscal situation," Takemura told the news conference.

Pointing to Japan's rapidly aging society, Takemura said it may be difficult to achieve an immediate improvement in the fiscal condition even if the Japanese economy picks up.

Takemura called for medium- and long-term efforts to improve the fiscal situation by reducing the government's dependence on issuance of public bonds as budgetary resources.

The outstanding balance of government bonds is expected to top 220 trillion yen at the end of fiscal 1995, only a year after the balance surpassed 200 trillion yen in fiscal 1994, he noted.

Ministry officials, meanwhile, said tax revenues for fiscal 1995 are estimated to fall about 3 trillion yen short of the revised estimate of 53.6 trillion yen for the year.

The officials also said tax revenues for fiscal 1996 will be smaller than the 53,730 billion yen estimate if the government decides to continue income and other tax cuts to help lift Japan's moribund economy.

Ministry To Review Banks' Overseas Operations

OW0611130195 Tokyo KYODO in English
1021 GMT 6 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 6 KYODO — The Finance Ministry will strengthen its inspection and other supervisory systems for Japanese banks' overseas operations to prevent another financial scandal such as the one at Daiwa Bank, Vice Finance Minister Kyosuke Shinozawa said Monday [6 November].

"The ministry needs to examine its current supervision and inspections on overseas outlets of Japanese banks," Shinozawa told a news conference.

He then acknowledged the ministry is partly responsible for the latest scandal at Daiwa Bank, saying, "there may have been several things that should have been handled better by the ministry since the revelation of the scandal, such as urging the bank to make more investigation efforts."

Shinozawa made the comments in response to last week's Federal Reserve order to shut down Daiwa's U.S. operations against document forgery and other illicit actions in connection with a huge $1.1 billion trading loss at the bank's New York branch over 11 years.

Chief Cabinet Secretary Koken Nosaka said earlier in the day the Finance Ministry is partially responsible for the scandal.

The Finance Ministry has been under fire for taking more than 40 days to report the trading loss at Daiwa Bank's New York branch to U.S. authorities.

Shinozawa said, "when a similar scandal takes place at Japanese banks' overseas units, it will be necessary for the ministry to take appropriate steps in a manner that would reflect supervisory systems in the foreign country."

On Sumitomo Bank's full support of Daiwa Bank for its overseas operations, Shinozawa said he welcomed the support and added he expects "things to be handled without major confusion."

But Shinozawa said he has no knowledge about a reported merger between Sumitomo Bank and Daiwa Bank.

As the presidents of both banks made remarks in favor of the merger, the Finance Ministry is watching further developments, Shinozawa said.

He refrained from commenting on whether the reported merger will lead to a larger reorganization of the Japanese banking sector.

"We are at a cultural turning point amid rapid financial liberalization and deregulation," he said.

Banks Asked for Bad-Loan Disposal Schemes

OW1311084895 Tokyo KYODO in English 0810 GMT 13 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 13 KYODO — Bank of Japan (BOJ) Senior Deputy Governor Toshihiko Fukui said Monday [13 Nocvember] that individual financial institutions should come up with specific bad-loan disposal schemes to help wipe out concern over Japan's financial system.

"Now is the time for individual financial institutions to specifically present the way and the timing for the disposal of bad loans and to clearly work out their longer-term business policy," Fukui said in a speech to a private forum.

The so-called "Japan premium," or higher fund-raising costs overseas for Japanese banks, has prompted such needs, Fukui said.

Pointing to the need for specific measures to recover owned capital after bad-loan disposal and for further restructuring efforts in the banking sector, Fukui said the central bank is ready to provide financial support for financial institutions facing liquidity problems.

After the failure of problematic smaller institutions, the nation's financial system is facing a crucial time with the toughest problem — housing loan companies — remaining unsettled, Fukui said.

Settling the burden-sharing of losses incurred from the liquidation of housing loan companies is a precondition for the future disposal of problem loans, fukui said.

He said the central bank has provided a total of 1 trillion yen in special loans for the disposal of the recent five financial failures to maintain the stability of the financial system, on condition that shareholders and management of the bankrupt lenders take responsibility.

Some of the special loans are meant to make up for losses incurred from the disposal of failed financial institutions, he said.

But such lending should be "a temporary emergency measure" until the government decides on a common framework to dispose of financial failures, Fukui said.

"The BOJ's financial support is essentially to supply liquidity... It is not appropriate for the central bank to provide loss-covering funds very often," he said.

Instead, Fukui suggested the advisability of using government money, saying there are several examples overseas of injecting fiscal funds to cover losses involved.

"In fact, it might be necessary to ask the people to bear a burden in the form of fiscal expenditure in the event of losses which financial institutions cannot afford," Fukui said, adding he hoped that "a national consensus" could be reached at an early date.

On present economic conditions, Fukui gave a severe assessment, saying, "the economy has remained at a standstill...Signs of a moderate recovery have yet to be clearly confirmed."

But he added, "the risk of the economy's weakening further has become small as a result of drastic policy measures" such as a series of credit-easing moves since the spring and the government's latest pump-priming package worth 14 trillion yen.

Coupled with macroeconomic policies, the recent correction of the yen's excessive strength, if it continues for a while, will help sustain the economy, Fukui said.

As favorable factors in the economic outlook, Fukui cited limited inventory excess, improving corporate earnings and a 20 percent rise in stock prices since July, which he said showed that corporate and household confidence is recovering.

Farm Minister Suggests Talks With MOF on Jusen

OW1011060295 Tokyo KYODO in English 0547 GMT 10 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — Farm Minister Hosei Norota said Friday [10 November] the Farm Ministry will enter discussions with the Finance Ministry [MOF] on the problem of debt-ridden housing loan companies [jusen] if agricultural groups and banks cannot agree on how to clean up the mess.

The agriculture, fisheries and forestry minister told reporters that the problem should definitely be solved by year's end, given the implications for the economy and the strong international attention being paid to the issue.

He said the ministries would start mediation after monitoring negotiations between banks and farm groups scheduled for next week.

The nation's mortgage companies have seen a combined 8.4 trillion yen worth of loans go bad. Of these loans, mainly to real estate developers, 6.3 trillion yen worth are irrecoverable, the Finance Ministry estimates.

Agricultural cooperatives, which have heavy lending exposure to the mortgage companies, argue that losses on the nonperforming loans should be shouldered by the banks that founded the companies. But banks contend that the losses should be shared among all lenders, including the cooperatives.

Panel Decides To Look at Derivative Problems

OW1311084795 Tokyo KYODO in English 0800 GMT 13 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 13 KYODO — An advisory panel to the Finance Minister decided Monday [13 November] to set up a subcommittee for discussing problems in derivatives trading, which has been expanding amid growth in stock index futures transactions, ministry officials said.

The planned panel of the securities and exchange surveillance commission will discuss derivatives-linked risk management and accounting procedures for securities companies as well as disclosure and market development, the officials said.

The panel will hold its first session in early December and convene once a month before compiling a midterm report in around may, the officials said.

Risks involved in derivatives were driven home earlier this year when Barings plc, a British merchant bank, went under because of massive losses run up by a rogue trader.

Japanese financial circles are also growing risk-sensitive because they are charged extra interest in overseas capital markets due to a series of scandals, including a huge bond trading loss incurred by Daiwa Bank.

Kizu Employees Asked To Help Cover Loss

OW0811150595 Tokyo KYODO in English 1319 GMT 8 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 8 KYODO — Executives and employees of the bankrupt Kizu Credit Union have been asked to help cover the loss of 100 million yen that was part of an emergency loan package from the Bank of Japan (BOJ) and reported missing Sept. 1, financial sources said Wednesday [8 November].

Executives in the credit union have been asked to pay 30-40 percent of their monthly salaries from November to next March to cover the lost money, while some 640 rank-and-file employees are being asked to contribute 10 percent of their salaries.

Osaka police are continuing their investigation into the disappearance of the money, but one credit union executive suggested that there is a "high probability" that the incident involved someone or some people within the credit union.

Kizu Credit Union was ordered Aug. 30 to halt its major business operations such as extending loans, triggering a run on the credit union's headquarters and its 26 branches in Osaka Prefecture on Sept 1.

BOJ: Market To Resume Using Commercial Paper

OW1011054295 Tokyo KYODO in English 0519 GMT 10 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 10 KYODO — The Bank of Japan (BOJ) will resume money-market operations using commercial paper for the first time in four years, the central bank announced Friday [10 November].

The BOJ will pump funds into the money market via purchases of such short-term securities issued by blue-chip companies in a bid to diversify its monetary adjustment tools toward the year-end period of large demand for funds, the central bank said

"By implementing smooth fund adjustment, the Bank of Japan hopes to see stable money-market rates," a BOJ official said.

The BOJ will buy commercial paper by soliciting competitive offers from financial institutions, the official said.

Previously, the BOJ purchased commercial paper at fixed rates. It last implemented such buying operations in November 1991.

The BOJ has been diversifying its monetary adjustment tools to cope with fund shortages on the money market.

In September, it resumed market operations using certificates of deposit for the first time in six years and eight months.

'Secret Agreement' on Banking Crisis Viewed

OW1411115895 Tokyo EKONOMISUTO in Japanese 7 Nov 95 pp 46-49

[Article by Takanori Mizuno, international finance commentator: "A Secret Agreement Between the Bank of Japan and the FRB Has Been Disclosed Due to Japan's Creeping Financial Collapse"]

[FBIS Translated Text] **The Second Case of Financial Assistance to Japan**

"The governments and financial authorities of Europe and the United States have begun to fear the outbreak of a worldwide, concurrent recession and a worldwide financial panic which originated in Japan." "The governments and financial authorities of Europe and the United States are considering financial assistance measures to take on Japan through precautions against Japan's financial collapse. The reason is that it is considered that Japan's financial collapse will produce a much more serious effect on the world's financial system than Mexico's financial crisis."

The above is a warning I gave to the Japanese people in my writing and lectures from June to July this year.

Immediately after that, the bankruptcy of Cosmo Credit Union came to the surface, and then those of Kizu Credit Union and Hyogo Bank followed a month later. And there was a run on the bank in Japan's two major economic and financial spheres — Tokyo as well as Osaka and Kobe.

However, these bankruptcies are only the tip of the iceberg. In Japan's banking circles, there are still some city banks, long-term credit banks, trust banks and regional banks which might have gone bankrupt or would be at the point of bankruptcy if they had been in a country having the cultural climate of the United States.

Footsteps of Heisei's financial crisis are heard.

In June this year, to collect news materials, I met financial specialists, stock analysts and fund managers in Washington and Wall Street. To my surprise, they, without exception, referred to the scenario: "Financial assistance to Japan will be given by European countries and the United States in case of Japan's financial collapse."

If I had heard this from authorities of the U.S. Treasury Department or the Federal Reserve Board [FRB], I would not have been surprised. The problem is that in the United States this kind of information is known to economists concerned with the Japanese economy, fund managers who operate Japanese stocks and bonds, and people in all areas of the private sector. If they perceive that Japan's financial system is in such a risky condition that it needs financial assistance from Europe and the United States, the improvement of Japan's stock market will become hopeless.

The bad debt problem of banks will become more serious and, contrary to the Finance Ministry's expectations, the settlement of the problem cannot be accomplished within five years.

The crisis of life insurance companies will also come to the surface.

Certainly, an all-out financial collapse of Japan will become a reality.

Four months after I gave a warning that "Financial assistance will be given to Japan by European countries and the United States in case of Japan's financial collapse," a piece of information concerning this matter was disclosed by the THE NEW YORK TIMES (dated 17 October 1995).

The report said: "The FRB and the Japanese side have agreed that when Japanese banks are plunged into a liquidity crisis, the FRB will immediately provide dollar funds in exchange for U.S.bonds held by the Bank of Japan."

When I heard the news, I immediately had the impression that the United States had taken the second financial assistance measure for Japan.

The first is the revision of the strong yen policy initiated by the Clinton administration immediately after the dollar stood at 79.50 yen on 19 April.

In the concrete, the United States agreed to redress the strong yen-weak dollar at the G-7 [group of seven industrialized nations] meeting on 25 April, and realized the exchange rate of 100 yen to the dollar by accepting coordinated intervention between Japan, the United States, and Europe (on 31 May, 7 July, 2 August, and 15 August).

The second financial assistance to Japan by the United States is the FRB's provision of funds to cope with Japanese banks' liquidity crisis.

The FRB is the Last Lender

Concerning the agreement between the FRB and the Bank of Japan, the FINANCIAL TIMES of the United Kingdom editorialized on 20 October: "This is an unusual agreement under which the central banks of the two countries play the role of 'last lenders.'"

Needless to say, the Bank of Japan is Japan's central bank and the FRB is the U.S. central bank. Therefore, the Bank of Japan comes on the stage "as the last lender," when Japanese banks face a liquidity crisis, and the FRB comes on the stage "as the last lender," when U.S. banks face a liquidity crisis.

However, according to the agreement between the FRB and the Bank of Japan, the FRB is to play the role of the last lender for Japanese banks. Of course, lending is confined to dollar funds, but FINANCIAL TIMES reported it was "unusual" for the FRB to provide liquidity for Japanese banks.

The Japanese media did not give prominent coverage to the matter, but THE NEW YORK TIMES reported the news on the front page. The HERALD TRIBUNE, which reprinted the account from THE NEW YORK TIMES, treated the news as a top item on the front page.

Japan is a major financial power and is the largest creditor nation in the world, while the United States is a borrower country and is the largest debtor nation in the world. A creditor nation, Japan, has been plunged into the situation where it is likely to receive financial assistance from a debtor nation, the United States.

Naturally, the authorities concerned from Japan's Finance Ministry and the Bank of Japan immediately denied the possibility of such a situation occurring.

Furthermore, the Bank of Japan has recently requested those Japanese banks which have overseas operation bases to conduct the procurement of dollar funds calmly.

The bankruptcy of credit unions, like Tokyo Kyowa, Anzen, Cosmo, Kizu, as well as Hyogo Bank occurred in rapid succession, and when the loss of 110 billion yen incurred by Daiwa Bank was disclosed, phenomena foretelling Japanese banks' liquidity crisis have begun to appear in almost every financial market in the world. They are:

1. Japan premiums (Japanese banks must raise their interest rates when they borrow funds from European and U.S. banks) are rapidly expanding.

2. Japan premiums with regard to yields on bonds guaranteed by Japanese banks are expanding greatly.

3. Foreign banks are reluctant to provide funds for Japanese banks.

4. Foreign banks have begun to curtail the limit of fund provision for Japanese banks.

5. Big city banks are refusing to provide funds for some of city banks, long-term credit banks, and trust banks.

6. Japanese banks, which have misgivings about fund raising, give priority to securing quantity even if interest rates are high.

7. Japanese banks are switching from short-term fund raising to mid and long-term fund raising.

When I went to New York recently, stock analysts and fund managers in Wall Street asked me by giving the names of banks concretely, "Is H Bank all right?" "Is N Bank all right?"

People concerned with the market say: "There are cases in which some U.S. banks refuse to provide funds at the very mention of Japanese banks."

According to the agreement between the FRB and the Bank of Japan, the FRB's function is to play the role of the "last lender" when a part of Japanese banks fall into a state of default, or when Japanese banks as a whole face a liquidity crisis, and to prevent a chain-reaction of financial bankruptcies in world financial markets.

The Finance Ministry Is a "Naked Emperor"

The year 1995's general meeting of the IMF and the World Bank, which was held in Washington in October, was the most grueling and unpleasant one to Japan's financial authorities as well as executives of private financial institutions.

About this time, I often visit Washington and gather information concerning international banking situations and Japan's economic and banking situations. In the past, financial authorities and private financiers of rich Japan were very popular, and they were asked to provide funds by developing countries where funds are insufficient, or they were asked to provide funds or to participate in projects by international financial institutions like the IMF and the World Bank.

This time, however, the atmosphere changed completely.

Executives of Japanese banks and securities companies were bombarded with questions about the bad debt issue and bankruptcy of banks, as well as the Daiwa Bank affair.

Meanwhile, the Finance Ministry and the Bank of Japan tried to make use of the general meeting of the IMF and the World Bank as an opportunity to dispel the heightening anxiety in Europe and the United States about Japan's financial system.

The Finance Ministry and the Bank of Japan held a meeting on 9 October to explain the bad debt issue of Japanese financial institutions to leading U.S. bank executives. They also held a similar meeting on 11 October for leading European bank executives.

However, it was clear from the beginning that this plan would end in failure. In the first place, I am surprised to find that the Finance Ministry and the Bank of Japan are very insensitive about how financial authorities and financial executives in Europe and the United States are looking at them.

American and European financial authorities and business people think the Finance Ministry and the Bank of Japan are hiding the actual condition of Japan's bad debt issue.

Finance Minister Masayoshi Takemura stated in June that "the bad debts of Japanese banks amount to 40 trillion yen." However, these foreign authorities doubt that figure — 40 trillion yen.

U.S. and European financial authorities and business people are dissatisfied with the fact that the Finance Ministry and the Bank of Japan have, until quite recently, maintained that "there is nothing to worry about the problem of 'housing loan companies (jusen).'"

Their distrust of the Finance Ministry and the Bank of Japan became ineradicable when Diawa Bank's loss of 110 billion yen was disclosed.

To express the true feelings of U.S. and European authorities: "The Finance Ministry and the Bank of Japan are 'liars'."

To hold briefings in such an atmosphere serves no purpose other than for the self-satisfaction of the Finance Ministry and the Bank of Japan.

One of Wall Street's fund managers said to me disgustedly, "I am tired of hearing the Japanese Government's perfunctory explanations."

Another fund manager ridiculed the Japanese Government authorities concerned in a very cynical manner by saying that "the Finance Ministry is the naked emperor."

The Finance Ministry and the Bank of Japan should immediately take the following two actions directed domestically and internationally to regain foreign trust in themselves and in Japan's financial institutions.

1. To conduct thorough disclosure of the actual condition of Japanese financial institutions.

2. To present measures satisfactory to everyone to dispose of the bad debts of Japanese financial institutions in a short period of time.

Needless to say, U.S. banks disclose important management information every quarter. As requested by U.S. banks at the briefing in Washington, it is necessary to have the courage to disclose information quarterly concerning the amount of bad debts of in all of Japan and in individual Japanese banks.

It is only through the accumulation of such concrete efforts that the Japanese financial system can regain foreign trust.

The Revival of Japan Bashing

When I heard the news that the U.S. House of Representatives Banking Committee would hold a public hearing on the Japanese financial issue, I immediately had the impression that "this will drive the Finance Ministry, the Bank of Japan, and private financial institutions into a tighter corner."

The reason is that although congressional trade committees and finance committees draw attention to Japan-U.S. friction, both the Senate and House Banking Committees have become strongholds of Japan-bashing.

Furthermore, the banking committees traditionally have taken a very severe attitude toward banking malpractice. The committee closely inquired into the management responsibility of S&L (Saving and Loan Association) in introducing public funds to relieve it.

Chairman Jim Leach of the House Banking Committee is one of the moderates within the Republican Party and is known as a man true to general principles and as an impartial man. He is a man who takes strict measures against malpractice. Among committee members, there are liberals, such as Democratic Congressman Charles Shumer, and it is generally agreed that they are strict in investigating banks.

I expected that the Finance Ministry and the Bank of Japan would dispatch their senior officials to the public hearing and make them state, as a witnesses, the actual facts about the Japanese financial system and the bad debt issue of banks.

However, due to the disclosure of the Daiwa Bank affair, Toyoo Gyoten, chairman of the Bank of Tokyo and former Finance Ministry financier, abstained from attending the hearing. As for the U.S. side, Treasury Secretary Robert Rubin stayed away from the hearing out of consideration for Japanese authorities. However, there is a close information network between Chairman Leach and the Treasury Department and the FRB. Actually, before the public hearing, the FRB informed Chairman Leach of the agreement between the FRB and the Bank of Japan regarding the provision of funds when Japanese banks fall into a state of liquidity crisis. Secretary Rubin promised to submit a report on the Japanese bank issue to the banking committee.

It was meaningful for the Finance Ministry and the Bank of Japan that they sent their senior officials to the public hearing as witnesses.

Now more than ever, the Finance Ministry and the Bank of Japan are required to have the capacity to squarely answer pointed questions at such a place.

As expected, the Finance Ministry and the Bank of Japan were "tried in their absence" at the public hearing.

U.S. witnesses criticized Japan's opaque banking administration and financial institutions' inadequate disclosure.

They also raised a question about Japanese banks' ability to dispose of their bad debts.

Daiwa Bank was severely censured by Chairman Leach.

It is very likely that the results of the public hearing on Japanese banks will be taken up by another committee of the U.S. House Banking Committee as well as the Senate Banking Committee.

Dreadful Market Rebellions

I am afraid that if such a situation is left as it is, two new situations will arise.

One is the revival of Japan bashing triggered by the banking problem.

The other is a financial panic caused by market rebellions.

Some U.S. mutual fund and pension fund institutions are still making considerable investments in Japanese banks. In the midst of growing financial fears, T. Low Price Associates [as published] and Vanguard Group are withdrawing from investment in Japanese banks, and leading fund managers, such as Fidelity Investments and Dreyfus, have begun to express their misgivings about Japanese banks.

If the Finance Ministry, the Bank of Japan, and private financial institutions follow the peace-at-any-price principle as they did in the past, foreign investors will lose their patience.

Then Japan's financial collapse and the execution of the FRB-BOJ [Bank of Japan] agreement will become reality.

MOF Considering Reducing Land Value Tax Rate

OW1111081395 Tokyo KYODO in English
0620 GMT 11 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO — The Ministry of Finance [MOF] is considering cutting the land value tax rate from the current 0.3 percent to help ease tax burdens on companies given the national economic slowdown, ministry sources said Saturday [11 November].

The ministry hopes the step will stimulate economic activity and reinvigorate sluggish land transactions, the sources said.

The ministry will decide on the rate cut margin for the landholding tax, based on discussions at the government's tax commission and the ruling coalition's task force on tax system reform, they said.

But observers said many twists and turns are expected before the ministry reaches a conclusion on the issue.

The Liberal Democratic Party, the biggest force in the three-party governing coalition, has been seeking to freeze the tax by cutting its rate to zero. But the Social Democratic Party, another coalition component headed by Prime Minister Tomiichi Murayama, has insisted the tax rate should be pegged at the present level.

The land value tax, designed to lower real estate prices and promote the effective use of land by increasing land holding costs, was introduced in 1992 as a national tax, following spiraling land and other asset prices in the "bubble" economy of the late 1980s.

The tax calls for landholders to pay 0.3 percent of the appraisal value applied for the inheritance tax. Revenue from the land value tax is estimated at 415 billion yen for the current fiscal year to next March 31.

About 80 percent of those who pay land value tax are companies as tax exemption and other exceptional treatment are allowed for land for residential and public use.

As a result, there are calls from within the business community for a cut in the rate, in particular from those that have large stores and factories in big cities. Those companies have said their tax burdens are too heavy given they must also pay municipal property tax on their land.

Capital Gains Tax Review Said Continuing

OW1411083595 Tokyo KYODO in English
0730 GMT 14 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO — In its discussions of how to reform the tax system in fiscal 1996, a task force of the ruling coalition parties decided Tuesday [14 November] to continue reviewing the tax on gains from the sale of land, coalition officials said.

At its meeting Tuesday, the task force discussed the tax, as well as special tax measures to promote the purchase of housing, but failed to reach specific conclusions, the officials said.

However, they said the dominant view on capital gains tax was that the tax rate should be eased and current categories for related tax breaks should be abolished or simplified.

One member was quoted as saying, "tax burdens appear to be heavy," while the other reportedly said "it is hard to understand categories for the reduced tax rate in cases of land sales for the development of blue-chip residential lots."

On the housing tax system, some members called for the period for tax breaks to be extended in order to encourage housing purchases, the officials said.

JFTC Head Ejiri Comments on Economy, APEC

OW1311051895 Tokyo KYODO in English
0506 GMT 13 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 13 KYODO — The head of a Japanese trade-company group said Monday [13 November] that the nation's economy will show improvements in the first half of next year, given the stable yen-dollar exchange rate at around 100 yen.

The government should take "adequate measures" as early as possible, however, to remove concerns spreading among overseas financial sectors over the health of

Japan's financial system, said Koichiro Ejiri, head of the Japan Foreign Trade Council [JFTC].

He also told reporters that the Asia-Pacific Economic Cooperation (APEC) forum has recently focused too much on liberalization of trade and investment in the group.

"APEC was originally proposed as a forum where members discuss cooperation," said Ejiri, also chairman of Mitsui and Co., adding it feels somewhat uneasy over the forum's setting trade-freeing deadlines.

"Depending on the situation, rules including the deadlines can be reconsidered," he said.

In the Bogor Declaration adopted last year, APEC leaders pledged to achieve free trade and investment in the APEC area by 2010 for industrialized economies and by 2020 for developing economies.

Article Urges Reforming Economy, Government

OW1411114995 Tokyo YOMIURI SHIMBUN in Japanese 10 Nov 95 Morning Edition p 1

[Articled by YOMIURI SHIMBUN Economic Department Chief Jin Nakamura; from the "Study '95" column: "Japan Urged To Use Daiwa Bank Incident as Springboard"]

[FBIS Translated Text] **Japan Puzzles the World**

Daiwa Bank was ordered to completely move out of the United States, and the case rapidly developed into a merger with Sumitomo Bank. I recalled the following phrase as I became familiar with the Daiwa Bank scandal.

"Japan is making the world perplexed. Although it has become a major power, Japan is not assuming an attitude that suits its power."

This is the opening paragraph of a book called "Japan: Mystery of Power Structure," which was published several years ago by Dutch journalist Karen Wolfren [name as transliterated], an authority on Japanese affairs.

This scandal is not simply an issue of Daiwa Bank alone. It shows the people's distrust of financial administration under the Financial Affairs Ministry's leadership and, furthermore, a loss of confidence in Japan.

If I were to describe the situation by slightly exaggerating the economic indicators, it could be said that Japan is struggling after being caught in a trap of zero growth rate, zero interest rate, and zero price hike.

If I were to comment on the pattern of dilemma and trilemma (triple suffering), I could say that Japan is in a world of "zerolemma." Many people are worried that the recent incident may further slow the sluggish economy.

Japan: Ill Fitted for Making Decision on Its Own

Japan's capability of reforming itself is weak. It cannot make important policy decisions on its own regardless of whether it is in the economic or political field. This incapability has created a blunder on the part of the financial administration and the long economic stagnation. In a way, the Daiwa scandal was caused by this incapability.

However, there are times when Japan, although it may not have a subjective will, makes important decisions. The three such occasions are when Japan is placed under "foreign pressure, scandal, and panic."

When I mentioned the three occasions to a deputy secretary general of a government agency, he nodded and said: "Unfortunately, I have to agree with you."

Japan has promoted market liberalization for agricultural products. This is a typical example of foreign pressure reforming Japan. Saying: "We have no choice but do it if it is a request from the United States," the Japanese Government gave up its hope and thereby, a domestic consensus was formed to accept the market liberalization.

Political reform was brought to fruition because the public opinion exploded in the wake of the disclosure of the Recruit scandal and briberies involving major construction companies.

As was the case shown by the issue of reorganization and consolidation of the bankrupt credit unions and special housing corporations (Jusen), financial authorities did not introduce measures until depositors began to panic and the financial system fell into a critical situation. In other words, they were driven into panic. There are some indications that the financial authorities were waiting for a panic.

The bad loan issue of financial institutions, including Jusen, has been known for several years. Nevertheless, the financial authorities, although the crisis is becoming more serious than before, are still having a philosophical argument, saying it is the responsibility of mother banks, lenders, or borrowers. It proves the fact that Japanese-style administration, which is lacking in principles and has been treating issues case by case, has reached a deadlock. I criticized the financial authorities, asking: "Why did they not, in anticipation of a crisis, set some fundamental rules for solving problems beforehand?" In response, a former deputy finance minister refuted my criticism, saying: "Even if we promoted rough treatment and tried to use tax payers' money, if necessary, we could not have gotten an approval from the people concerned, politicians, or taxpayers. Japan does not take actions unless it is driven into a corner."

Moreover, bureaucrats have lost their self confidence. The personnel matters of bureaucrats are caught up in a dispute between political parties. Meanwhile, senior Financial Ministry officials are involved in a money scandal and some central government officials are being questioned for accepting gifts from and being entertained by local government officials. It seems that bureaucrats are using their energy on defenses.

Reform of Japanese-Style Rules Needed

We hope that bureaucrats will reform themselves, rediscover their roles, and recover the people's trust.

Japanese politics is not reliable either. The U.S. Congress continues to hold intensive deliberations, holding hearing sessions on financial instability in Japan and the Daiwa Bank scandal. But the Japanese Diet is wasting time on conducting investigations into [bureaucratic] scandals and on political bargaining. We hope the politicians will learn expert knowledge and polish their capability of drafting policies.

Let us look from a viewpoint of reforming the Japanese-style system. First, we need to revise the principle of attaching importance to results. We can no longer allow the idea that "The important thing is to produce economic prosperity even at the risk of violating laws or international rules."

We need to reform the Japanese-style rules, which prefer collusive ties and behind closed door settlements, and convert [the government] into a transparent administration that is based on market mechanisms.

The next step is to abandon wishful thinking. In the past, we have assumed the stand of wishful thinking, saying: "The economy will recover soon and the land and stock prices will rise again and problems will be settled one of these days." However, we no longer can have such wishful thinking because there is a strong tendency of low economic growth and inflation.

We should reflect on our conduct, accompanied by the wishful thinking, of delaying problem settlement. The bureaucrats' attitude of "spending days safely until retirement," in particular, has amplified the crisis. We hope the Daiwa Bank scandal will serve as a springboard for reforming Japan.

Small Firms Capital Spending Expected To Rise

OW0811074095 Tokyo KYODO in English
0700 GMT 8 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO — Capital spending by smaller Japanese companies in the current business year ending next March is expected to post the first gain in four years, according to results of a survey released Wednesday [8 November] by a government-affiliated body.

The survey, conducted by Small Business Finance Corp. in September, covered about 10,000 firms.

The poll found the surveyed companies plan to invest 1.5 percent more on factories and equipment in fiscal 1995 than in the previous year.

An economist at the government corporation, however, said managers at smaller firms remain cautious about capital spending, noting that the nation's economic recovery is "extremely moderate."

The poll showed that, on a midterm basis, planned capital spending by the surveyed firms is expected to go into the minus column in the second half of the business year compared with a year earlier, following double-digit growth in the April-September period, according to the economist.

"If capital spending in the October-March period recovers to the same level as a year earlier, the growth for the full year will hover around 5 percent," the economist said.

Public Works Spending Rose First Half of FY95

OW1311084995 Tokyo KYODO in English
0813 GMT 13 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 13 KYODO — Public works spending in the April-September first half of fiscal 1995 rose 4.4 percent from the same period a year earlier to 9,223.6 billion yen, the Construction Ministry said Monday [13 November].

Orders from public corporations and government-run enterprises increased 30.5 percent to 2,173.4 billion yen, up for the first time in three years, thanks to the front-loading of public works projects.

Meanwhile, orders from local governments and organizations fell 1.7 percent to 7,050.2 billion yen, down for the second straight year amid declining demand for government buildings and educational facilities.

Deregulation for Information Society Urged

OW1411035395 Tokyo KYODO in English
0312 GMT 14 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO — A subcommittee of a governmental advisory panel to the economic council called on the government Tuesday [14 November] to implement deregulatory measures to cope with the coming advanced information society.

The Subcommittee on Information and Communication said in its final report, which will soon be submitted to the council, that the government should promote several measures to ease restrictions to allow citizens to enjoy the benefits of an advanced information society.

Such measures include promotion of "paperless" procedures and the adoption of an electronic data filing system for procedures such as registering for resident cards or other official certificates at government offices, it said.

Since March, the subcommittee has been discussing the need to promote construction of a sophisticated information infrastructure and the government's role in helping to promote an advanced information system in the private sector.

In June, the subcommittee submitted an interim report to the council stressing that an advanced information network will create new industries and boost productivity as well as provide opportunities for free participation by the general public.

The subcommittee estimates the overall scale of the information and communication-related market in Japan will expand to 155 trillion yen in 2010 from 56 trillion yen in 1993 and it create about 1.5 million new jobs by 2010, it said in its final report.

The council is now preparing a new six-year economic plan for fiscal 1995-2000 that will be submitted to Prime Minister Tomiichi Murayama later in the month.

NEC Corp. To Run PC, VAN Service in China

OW1411083695 Tokyo KYODO in English
0748 GMT 14 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO — NEC Corp. said Tuesday [14 November] it has inked a deal with China's State Information Center (SIC) to provide an array of value-added network [VAN] services in China, including personal computer [PC] communications and connection with the Internet.

Under the accord with the SIC, an arm of China's State Planning Commission, a main computerized center to run the network will be opened in Beijing in 1996 and sub-centers in Shanghai, Guangzhou and nine other Chinese cities, the computer giant said.

Initially, the new services will be utilized mainly by the government, large official organizations, institutes and companies which will together provide some 20,000 users, it said.

While increasing a variety of services, NEC said, it hopes to attract a total of 500,000 individual users in both the household and educational areas by the year 2000.

The accord calls for the SIC to be responsible for the day-to-day operation of the VAN service, while obliging NEC to provide technical support for running the web and the services, it said.

Under the deal, NEC will install two of its Unix UP4800 series server systems at each of the 11 sub-centers so one system can complement the other in the event that one of them breaks down, NEC spokesman Ken Fukuchi said.

China will initially pay some 1 billion yen for the equipment and other necessary devices, Fukuchi said.

The new web will provide electronic mailing and bulletin boards, as well as a variety of information on the finance and securities market, investment, the economy, tourism, law and new products, it said.

"As China still outlaws direct involvement of a foreign company in the operation of van services, we cannot provide the type of service under which we might collect a subscribers' fee from individual PC users," Fukuchi said.

"So we will profit from supplying various hardware, technical support and consulting services," he said.

China is projected to spawn an annual demand for one million PCs in fiscal 1995, up 50 percent from a year before, it said.

MITI Draws Guideline for Software Duplications

OW1411083495 Tokyo KYODO in English
0742 GMT 14 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO — The Ministry of International Trade and Industry has drawn up guidelines for corporate users of computer software to prevent rampant illegal software duplications, ministry officials said.

Copyright law prohibits the unauthorized copying of computer software. But the recent increase in personal computers has been pushing up the number of people using duplicates of software.

Illegal software duplications in Japan totaled an equivalent of 130 billion yen in lost sales in 1994, a U.S. software research institution estimates.

The MITI guidelines, due out Wednesday, call on companies to assign software managers, draw up management rules and monitor the actual use of software. Managers are urged to destroy any illegal copies they find.

North Korea

Renunciation of U.S. 'Policy of Strength' Urged

SK1411050595 Pyongyang KCNA in English 0447 GMT 14 Nov 95

["Policy of Strength Should Be Renounced" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA) — The U.S. war gamble now under way in South Korea is a demonstration of strength against the DPRK, a source of the worsening relations between the DPRK and the U.S., the belligerent countries, and of the tense situation on the Korean peninsula and a chill over the efforts for the improved situation in Asia, says NODONG SINMUN in a signed commentary today.

The on-going frantic "Foal Eagle 95," a mock preemptive offensive against the DPRK, is a vicious challenge to the Korean people and the peaceloving people of the world and to peace as well, the analyst says, and continues:

The U.S. viewpoint and mode of thinking are that strength is precisely "justice" and guarantees the U.S. sphere of influence and its position of a "super power".

"Foal Eagle 95" manoeuvres are a graphic indication of the U.S. policy of strength. The war game what they call "Foal Eagle 95" is, in fact, the "Team Spirit" nuclear military manoeuvre.

The U.S. is seeking a military adventure against the DPRK, breaking the pledge it made to the latter. This is a clear indication of the U.S. inferior morality and bellicosity. It is also a perfidy to the dialogue partner and a violation of the DPRK- U.S. agreed framework.

We hate the perfidy like a viper and do not allow it.

The U.S. policy of strength may go down with any one, but never with us.

The U.S. should judge the situation correctly and stop the reckless military action.

Daily Denounces Secretary Perry's Remarks

SK1311230695 Pyongyang Korean Central Broadcasting Network in Korean 0854 GMT 9 Nov 95

[Commentary from 9 November NODONG SINMUN: "No Matter How Hard They Try To Find Fault With Us, They Will Not Be Able To Do So"]

[FBIS Translated Text] U.S. Defense Secretary Perry has again found fault with us.

When a fellow groundlessly finds fault with someone else, he is pursuing an insidious purpose. The fact that U.S. Defense Secretary Perry found fault with us while making a junket to South Korea is no exception. In what was called a joint communique, he seriously found fault with us, stating that our conventional arms buildup and long-range missile development constitute a threat to the Korean peninsula and Northeast Asia.

The United States has found fault with us in extremely diverse manners. Is there anything that cannot be made up by the U.S. conservatives who insist that what does not exist actually does exist and who claim that white is black? Given the U.S. military strategy, the accusations the United States have made against us have been used in most cases as an excuse to justify the buildup of their forces on the Korean peninsula and its vicinity as well as their maneuvers to provoke a new war. These accusations include the threat of southward aggression, about which the United States has raved for decades; a groundless nuclear threat; and various other groundless accusations. However, they have not convinced anyone these past years. In particular, this is true now that the Cold War is over. Nevertheless, the United States has not stopped trying to find fault with us in order to pursue its sinister purposes.

This time, Perry found fault with our conventional arms buildup and long-range missile development. The United States raved about the missile threat, and not for the first time; it has done so on other occasions. This shows the United States is making a very tenacious, mean attempt to justify its arms buildup on the Korean peninsula and its vicinity as well as its maneuvers to provoke a new war.

Perry even said it is only the United States that has the technological and moral strength to deter the ever-increasing missile threat in Asia. He raved about the technological and moral strength of the United States against something that does not exist. This discloses the ulterior intentions of the United States to crush us.

In reality, it is the United States that forces us to face the danger of war and that aggravates the arms race and tensions. The United States has deployed numerous nuclear missiles and various other missiles on the Korean peninsula and its vicinity, aiming them at us.

In particular, the United States is hastening to establish a theater missile defense system against us. The United States is dragging Japan and the South Korean puppets into this system. While making a junket to Japan, Perry did not conceal the fact that the United States and Japan have been cooperating on the establishment of a ballistic missile defense. No missile is purely defensive; missiles are basically offensive.

Because of U.S. maneuvers to deploy more missiles and other weapons, the arms race and tensions have been further aggravated. Our people are constantly under the threat of aggression owing to the presence of the U.S. forces on the Korean peninsula and its vicinity as well as the U.S. maneuvers to provoke a new war. We cannot but build up our self-defensive military strength in preparation against such a possibility.

Even if the United States finds fault with us, we will not be frightened or surprised by this.

The more the United States, which habitually perpetrates aggression and war maneuvers, finds fault with us, the more firmly the world will trust us and mistrust the United States.

No matter how loudly the United States may talk about a missile threat from us, few will believe it.

We do not expect to hear favorable remarks from the United States, with which we are in warring relations.

Mankind is on the side of justice. We are proud that we are upholding the socialist banner, even when the United States threatens us militarily and makes all sorts of vicious remarks against us. The progressive people of the world watch our people with admiration and support, and encourage us.

The United States must realize that the more it slanders us to seek its sinister purpose, the more difficult a situation it will push itself into.

Joint Exercise Criticized by Foreign Groups

SK1311105795 Pyongyang KCNA in English
0806 GMT 13 Nov 95

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA) — The Arab Islamic Democratic Movement of Jordan, the Islamic, Christian United Action Front of Jordan, the National Action Front Party of Jordan, the temporary leadership of the Arab Progressive Renaissance Party and the world and Arab regional leadership of the Islamics of the international anti-Zionism front made public a joint statement critical of the Foal Eagle 95 joint military exercises being staged by the United States and the South Korean authorities.

The statement said:

The Foal Eagle 95 is contrary to the desire of the Korean people for peace and reunification and may wreck peace and security in Asia and kindle the flame of a war there.

The statement demanded a halt to the military game and the withdrawal of the U.S. forces from South Korea.

The British Society for Independence Studies in a statement said that the Foal Eagle 95 war game, which is little different from the Team Spirit joint military exercises, is a reckless challenge to the Korean people and the peace-loving people of the world desirous of durable peace and security on the Korean Peninsula.

The Communist Party of Austria in a statement demanded the United States put an immediate end to the joint military exercises and fully implement the DPRK-U.S. agreed framework.

Talk Denounces Various 'War Exercises' in '95

SK1311062195 Pyongyang Korean Central Broadcasting Network in Korean
0753 GMT 12 Nov 95

[Unattributed talk: "A Dangerous Fire Game Resembling the Night Before a War"]

[FBIS Translated Text] The Kim Yong-sam puppet clique in South Korea is crazily heading toward the road of a war of northward aggression to harm compatriots in league with foreign forces, running counter to the strong national trend toward reunification through a confederal state.

As has been exposed, the Kim Yong-sam ring is frenzied with a large-scale joint military exercise dubbed Foal Eagle-95 in league with foreign forces. Considering troops and military equipment mobilized to the Foal Eagle-95 joint military exercise and its training method, the exercise is in every way a war exercise aimed at a northward aggression, and a duplicate of the Team Spirit, which is a nuclear war exercise. The situation on the Korean peninsula is on the extremely dangerous brink of war.

The world is paying close attention to the Korean peninsula, where the fuse of war may be ignited any moment. All Koreans in the North, the South, and overseas, as well as the world's progressive people, are enraged by the U.S. imperialists and the Kim Yong-sam ring, which are seriously threatening the peace of the Korean peninsula with large-scale joint military exercises. The people are demanding an immediate suspension of the Foal Eagle-95 joint military exercise commotion.

Nevertheless, in concurrence with the Foal Eagle-95 military exercise, the Kim Yong-sam puppets in South Korea are conducting another large-scale war exercise for northward aggression dubbed Hwarang across South Korea, in the South and North Cholla Provinces, the Cheju Province, and the Kwangju area, mobilizing administrative agencies, the puppet army, reserves, and the Civil Defense Corps. Not satisfied with this, the Kim Yong-sam ring is playing the fire game of war across Seoul under the provocative name of the grand infiltration general exercise-95.

From 23 to 27 October, the Kim Yong-sam puppet clique mobilized the so-called puppet army capital corps to conduct yet another frenzied war exercise in Inchon and Southwest Kyonggi area. Dubbed combined tactic exercise, the war exercise mobilized about 200,000 troops, including 30,000 of the puppet army, navy, and air force, 170,000 reserve troops, and 6,000 puppet police, as well as over 1,000 equipment, including tanks and armored cars.

The Kim Yong-sam ring recently conducted war exercises for northward aggression under various names one after another in league with the U.S. imperialists. The fact proves that the rascals are running amok to drive North-South relations to confrontation and to break a war on the Korean peninsula. As it has been reported, the noise of firing from provocative war exercises for northward aggression never ceased in the South since puppet traitor Kim Yong- sam assumed power.

In April, the Kim Yong-sam puppet clique mobilized some 80,000 puppet army, navy, and air force troops, including the puppet army corps, the navy fleet command, and air force fighter wings, as well as reserve troops, to conduct a large-scale attack-oriented Army- Navy-Air Force joint exercise in North Kyongsang Province and along the east coast in South Korea's Kangwon Province. In July, it conducted the large-scale Freedom Banner-95 exercise, and in August, the Ulchi Focus-Lens joint military exercise, in league with foreign forces. Such large-scale war exercises were in every way fire games aimed at a surprise attack on our Republic. It goes without saying that the peace of the Korean peninsula was gravely threatened every time.

Puppet traitor Kim Yong-sam has now thrown away the civilian mask and has gone mad after various war exercises, military provocation commotions in the military demarcation line and the DMZ, and arms reinforcement to ignite the war of northward aggression. A typical example is that, according to some agreement with the United States, the Kim Yong-sam puppets in South Korea recently took over 275 tanks, massive weapons and equipment, and 40,000 tonnes of ammunition that belonged to U.S. Forces occupying South Korea, and deployed them to the puppet army units. Moreover, the Kim Yong-sam ring is committing the criminal maneuver to purchase 72.5 billion won worth of military equipment from the United States.

It is not a coincidence that the Kim Yong-sam puppets have decided to increase the defense budget by 10.7 percent next year. The facts show that the Kim Yong-sam ring, in league with foreign forces, takes it for granted that the Korean peninsula will face another fratricidal conflict. All the military commotions of the U.S. imperialists and the Kim Yong-sam puppets resemble that of the night before a war. This cannot be overlooked.

All Koreans in the North, the South, and overseas have risen to the grand march of reunification to provide a breakthrough for the reunification with the united strength of the nation by all means this year, the 50th anniversary of the fatherland liberation as well as national division. At such a time, the Kim Yong-sam fascist group is frenzied with its own joy and power, not caring about the destiny of the country and the nation. Joining hands with the U.S. imperialists, the Kim Yong-sam group is conducting provocative war exercises for northward aggression and adopting the arms reinforcement maneuver, driving fire clouds of war to the nation. How can this be tolerated?

The rascals are the enemies of the nation and reunification, and the interrupters of peace. Again, our people send a warning to the Kim Yong-sam war maniac ring. We will never forgive the Kim Yong- sam puppet clique if it ignites a war with foreign forces after all, turning its back on the aspiration of the times and the demand of the entire nation. Those who enjoy fire games will eventually be burned to death by the fire they kindled. The U.S. imperialists and the Kim Yong-sam puppet clique should bear this in mind and stop acting without discretion. They should immediately stop the Foal Eagle-95 and all other fire games of northward aggression.

Rally Held in South on Kwangju Incident

SK1311043195 Pyongyang KCNA in English 0332 GMT 13 Nov 95

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA) — The All- people Measure Committee for the enactment of a special law on punishment of the May 8 murderers held a rally in Seoul on November 11 with more than 2,000 students, citizens and people participating and urged the enactment of a special law on punishment of those responsible for the Kwangju massacre, a Seoul-based radio reported.

The ralliers said that the May 18 Kwangju massacre gave the way to power-backed irregularities and corruption and demanded that the murderers be determinedly punished in order to establish a correct view of the history and bring justice to the South Korean society.

They said there is no change in their stand that it is natural to enact a special law for the punishment of the main culprits of the massacre.

Ordinary Citizens Link Kim Yong-sam to No Scandal

SK1311112495 Pyongyang KCNA in English 0929 GMT 13 Nov 95

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA) — South Korean people are charging that the traitor Kim Yong-sam is related to the No Tae-u's slush fund scandal, said Seoul-based radio Voice of National Salvation.

A minor businessman Yi Sun-chol in Yongdungpo District, Seoul, said that since he came to power, Kim Yong-sam has had one-to-one meetings with business tycoons at a separate room of "Chongwadae" and received hundreds of billions of won of political fund from them, as No did while in power.

He said it is the public opinion that No amassed 1,600 billion won in five years of office, but Kim, who is as cunning as fox, has already been bribed with a larger amount of money than No's in three years of office.

Kim must not resort to sleight of hand but make public the political fund he has received from business conglomerates and step down from power, he urged.

A worker Kim Myong-sik of the Hyundai Motor Company said: No and Kim are all tarred with the same brush. They are kingpins of theft. If they are left unpunished, all the ten million workers of South Korea will die.

A man surnamed Kim who defected from the "Democratic Liberal Party" to the "United Liberal Democrats" said that when in an opposition party, Kim Yong-sam found himself in the opposition camp in daylight but in the ruling party at night. He exposed the fact that Kim Yong-sam was given a large amount of money by the defunct Pak Chong-hui in return for his promise to cooperate in calming down the Pusan and Masan incidents.

He also said Kim Yong-sam "won the fourteenth presidential race," backed by 2,000 billion won, 400 billion won from No and 600 billion won from business conglomerates. With Kim Yong-sam left alone, it is impossible to settle the slush fund scandal and eradicate the corrupt politics, he added.

A student Kim who is active in the Policy Committee of the South Korean Federation of University Student Councils said: Kim Yong-sam usually said, "In the opposition party he could not eat enough for the lack of money." If so, where could he get 2,000 billion won at the time of the fourteenth "presidential election" and seat himself in the "presidential" chair?

The student demanded that Kim Yong-sam no longer play a petty trick but make public the "presidential election fund" he received from No and be brought to a trial. His "election as president" is illegal and invalid, he stressed.

Foreign Media on No Tae-u Slush Fund Scandal

SK1311105895 Pyongyang KCNA in English 0849 GMT 13 Nov 95

["'Slush Fund Scandal' of No Tae-u Brought To Light by Foreign Publications" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA) — U.S., British and other foreign publications carried articles and cartoons exposing the "slush fund scandal" of the traitor No Tae-u, the former president of South Korea, according to a report.

The U.S. news weekly TIME carried a caricature of the traitor No wiping tears away with one hand and putting money into inside pocket of his suit with the other shadowy hand when he made public a "written apology."

The magazine NEWSWEEK under the subtitles "Disgrace of S. Korea" and "Confession of Dirty Politics" brought to light the nature of the scandal and carried the ill-shaped figure of the traitor.

The British economic daily FINANCIAL TIMES carried a caricature of Kim Yong-sam trying to push aside a pile of money on which the traitor No has sit, but having no strength. A caricaturist of the United States, who is renowned for rambling commentaries on current events, painted a cartoon showing a disgraceful figure of the traitor falling down from a cut thick and durable rope with a stick of money in his hand.

South Trade Union Federation Marks Founding

SK1311043595 Pyongyang KCNA in English 0412 GMT 13 Nov 95

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA) — More than 50,000 members of the "National Federation of Democratic Trade Unions" of South Korea held a meeting commemorating its foundation in Seoul on November 12 and vowed to strengthen the anti-"government" struggle, according to a radio report from Seoul.

The participants said that they would recommend their independent candidate for the "general election" and other "elections" to be held next year and more firmly build up their organisation.

The organisation held an inaugural ceremony at Yonsei University on November 11 and was inaugurated in due form as an independent trade union involving hundreds of thousands of workers in all parts of South Korea. At the meeting it strongly protested against the Kim Yong-sam "regime's" prescription of its organisation as an "illegal organisation" and confirmed the orientation of the movement to struggle for the legalization of the organisation.

It denounced the "secret fund scandal" of the traitor No Tae-u and demanded the punishment of the comprador businessmen who gave bribes to him.

The participants held various cultural events after the meeting in high spirit to struggle in unity for democratisation of South Korean society and working places.

Russian Communist Presents Gift for Kim Chong-il

*SK1311110495 Pyongyang KCNA in English
0930 GMT 13 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA) — The great leader Comrade Kim Chong-il received a gift from the chairman of the Council of the Union of Communist Parties-Communist Party of the Soviet Union [Soviet Union as received] on a visit to Korea.

It was handed to secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop by chairman Oleg Shenin.

Hwang Chang-yop Meets Russian Communist

*SK1311042995 Pyongyang KCNA in English
0327 GMT 13 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA) — Talks were held in Pyongyang on November 12 between Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, and Oleg Shenin, chairman of the Council of the Union of Communist Parties-the Communist Party of the Soviet Union.

They informed each other of the activities of their parties and discussed a series of matters of common concern.

Commentary Demands Eto's Apology for Remarks

*SK1111013895 Pyongyang Korean Central Broadcasting Network in Korean
1222 GMT 9 Nov 95*

[Commentary by Kim Ho-sam: "High-Handed Speech and Behavior"]

[FBIS Translated Text] According to reports, the Japanese management and coordination minister made absurd remarks on the big crimes committed by the Japanese imperialists in our country in the past.

According to the Japanese paper (AKAHATA) dated 8 November, Takami Eto , Japanese management and coordination minister, in a so- called 11 October news conference blared that Japan had done some good during its colonization of Korea. He took the following as examples: Japan constructed many schools, railways, ports, and created paddies in Korea, as well as introduced irrigation. This is indeed a high-handed remark.

As we know, in early October, Japanese Prime Minister Murayama also made the absurd remark that the treaty on Japanese annexation of Korea had been signed legally. Later, a Japanese Government official supported Murayama's remark to face strong denunciation from the public at home and abroad.

This tells the current Japanese Government does not want to either admit the Japanese imperialists' past crimes or make an apology for them. As we have known all along, the Japanese imperialists invaded our country and brought immeasurable sufferings to the Korean people for over 40 years of their occupation of Korea, as well as deprived us of enormous material and cultural assets.

The number of our country's youths and men in the prime of life forcibly taken by the Japanese imperialists was over 6 million; among them, some 1 million were killed and about 200,000 women were reduced to sex slaves of the imperial army. The entire world knows this.

Uncountable are the enormous resources and cultural assets of Korea which were destroyed and plundered by Japan before the Korean liberation. Not only the world social circles but also the Japanese press acknowledge this.

Eto blared as if Japan had done something for the Korean people, saying that Japan built schools in all Korean cities and villages before the Korean liberation. However, this is an absurd remark. If Japan established some schools, they were built for Japanese, not for Koreans. The Japanese imperialists practiced education aimed at annihilating the Korean national culture and reducing Korean adolescents to slaves who obey the Japanese imperialists. How on earth can one say this was good for Koreans?

Eto also said Japan had constructed a 5,000-km railway and ports in our country. However, did Japan do so to develop our country's economy? No. The Japanese imperialists constructed railways and ports to deprive our country of thousands of soms of rice and a lot of minerals, such as gold, silver, copper, and lead.

In addition, Eto blared that the Japanese imperialists created rice paddies and introduced irrigation in our country. Theses were also plunderous economic measures aimed at taking Korean rice at a cheap price. In fact, the polished rice taken by Japan from our country before the liberation was incalculable.

However, contrary to the stark fact, Japan says it did something good in Korea. This is a brazen-faced act of reversing black and white. Such an act can made only by the Japanese militarists who have become accustomed to distorting and beautifying their history of savage invasions, plunders, and crimes against our country.

We sternly punish and denounce with our burning national indignation the shameless and absurd remarks made by the Japanese management and coordination minister. The brigandish logic of the Japanese management and coordination minister can work with no one. It was no accident that he made such absurd remarks. Takami Eto is an experienced political figure from the Liberal Democratic Party of Japan who was former construction minister, transport minister, and was elected as member of the House of Representatives as many as eight times. It is impossible to believe that he refused to acknowledge Japan's history stained with invasions and plunders and rather honored it by mistake. His remarks were made totally out of the deep-rooted militarist malice anchored in his mind. This is why he started the news conference under the condition that his remarks were kept off the record. Now, he is making noise, withdrawing his remarks in fear of denunciation from the people at home and abroad. However, it is merely a trick. Eto cannot evade the responsibility for his absurd remarks.

By the way, what matters is the motive of his absurd remarks. He made the remarks for no other reason than the calculating hidden purpose to allay and thin out Japan's big crimes, to avoid compensation and reparation, and to further strengthen Japan's position in future DPRK-Japan talks for establishing diplomatic ties.

As has been learned, far from making compensation for its big crimes against our people, the Japanese Government still refuses to admit it. The Japanese Government raised a so-called civilian fund and is trying to equivocate in liquidating its past crimes by using it. However, the people of the world strongly denounce this. Thus, by justifying its past crimes by any means, Japan is trying to gain the upper hand of DPRK-Japan talks for diplomatic ties and make its unjust demand be accepted without fail. However, this is a foolish act like alleging a wall is a door.

Unless it liquidates its criminal past correctly, Japan cannot free itself from disgrace. Eto, Japanese management and coordination minister, should apologize to our people for his absurd remarks. Otherwise, he will face stronger denunciation.

Koreans Protest Japanese Premier's Remarks

*SK1311043795 Pyongyang KCNA in English
0334 GMT 13 Nov 95*

[FBIS Transcribed Text] Tokyo, November 11 [date as received] (KNS-KCNA) — The Human Rights Association of Koreans in Japan held an emergency meeting in Tokyo on November 2 in protest against the remarks of the Japanese prime minister to legitimatize the "Korea-Japan annexation treaty."

At the meeting, Hong Sang-chin, director of the secretariat of the fact-finding group of forcible drafting of Koreans, and Shoji Takasaki [name as received], professor at Tsudazuku College, cited detailed materials to prove the invalidity of the "Korea-Japan Annexation Treaty."

PRC Functionaries at Liner Service Ceremony

*SK1411055295 Pyongyang Radio Pyongyang
in Korean to South Korea 1100 GMT 10 Nov 95*

[FBIS Translated Text] A ceremony was held at Najin Port on 10 November to begin a regular liner service between Najin Port in our country and the Yanbian Sea Transport Corporation in Jilin Province, the PRC.

The ceremony was attended by functionaries concerned, port employees, and members of the Yanbian Sea Transport Corporation in Jilin Province.

Speeches were made at the ceremony.

The speakers noted the importance of Najin Port in further developing transit trade, saying they would make positive efforts to modernize container facilities and further expand the liner's container transport service.

The ceremony participants were shown around the port following the ceremony.

Yi Chong-ok at Meeting on Kim Chong-il Works

*SK1311093895 Pyongyang Korean Central
Broadcasting Network in Korean
0100 GMT 12 Nov 95*

[FBIS Translated Excerpt] On 11 November at the People's Palace of Culture, a report meeting was held marking the 25th anniversary of the presentation of the policy on daily summing up of production and finance and the 5th anniversary of the publication of the classic work "Improving Financial and Bank Affairs" by

Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people.

Present at the meeting were Comrade Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK] and vice president; Comrade Han Song-yong, member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Hong Sok-hyong, candidate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Commission; Comrade Chang Chol, vice premier of the Administration Council; chairmen and ministers of the Administration Council; and functionaries of the finance and bank sectors.

In the report meeting, Minister of Finance Yun Ki-chong delivered a commemorative report. [passage omitted]

Daily Applauds 'Justness' of WPK Policy

SK1311112995 Pyongyang KCNA in English 0907 GMT 13 Nov 95

["NODONG SINMUN on Justness of WPK's Policy Towards Intellectuals" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA) — Since there is the most correct policy towards intellectuals and there is a great leader, who is carrying it into a brilliant reality, the worthy life and honor of the Korean intellectuals shine boundlessly and a bright future is in store for them, says NODONG SINMUN today in a by-lined article headlined "Validity and Invincible Vitality of Our Party's Policy Towards Intellectuals."

The article says:

Today the Korean intellectuals with an absolute worship for the great leader Comrade Kim Chong-il are vigorously fighting for the accomplishment of our party's cause, the cause of Korean-style socialism. This is attributable to our party's just policy towards intellectuals and the correct leadership of the party, which is carrying it into practice with credit.

The article quotes Comrade Kim Chong-il as saying:

"Our party, basing itself on a scientific analysis of the position and role of intellectuals in the revolution and construction, framed a unique policy towards intellectuals and has carried out the work among intellectuals."

The article further says:

The great leader Comrade Kim Il-song put forward a wise policy towards intellectuals to the effect that old intellectuals should actively be educated and remoulded and, at the same time, new intellectuals from working people should be trained on a large scale and all the intellectuals should be made true intellectuals fighting for the party and revolution, the country and people. Our party's unique policy towards intellectuals set forth by Comrade Kim Il-song is clearly reflected in the emblem of our party, which consists of a hammer, a sickle and a writing-brush.

Comrade Kim Chong-il is resolutely defending our party's policy towards intellectuals advanced by Comrade Kim Il-song and further developing it in depth, carrying it into brilliant effect in conformity with the advance of the revolution and construction. Respected Comrade Kim Chong-il defined intellectuals as a component of the driving force of our revolution, indicated their mission and duty from a new angle, and called them an eternal companion, a loyal helper and a good advisor of the party and a person who is resolutely defending and carrying through the party's policy. And he made unremitting efforts for the revolutionisation and working- classization of the intellectuals.

Comrade Kim Chong-il firmly believes in our intellectuals, whether the situation is good or difficult, and takes warm care of their work and life.

The intellectuals are a social stratum for independence. They contribute to the accomplishment of independence of the popular masses through a mental labour and play a very great role in the revolutionary struggle and social development.

Only when they are led by a working-class party, can they accept the revolutionary idea of the working class as their idea and join the workers and peasants in the revolutionary struggle for independence.

It is because of our party's just policy towards intellectuals that our intellectuals have always shared the same destiny with the party in the difficult annals of our revolution and given full display to their creative wisdom and talents in the worthy struggle for the country and people.

All of our intellectuals are entirely entrusting their destiny and future upon Comrade Kim Chong-il and devoting their all without hesitation to the struggle for realising what the leader planned and intended. It is the traits of our intellectuals to become rifles and bombs of defending with their lives the great leader Comrade Kim Chong-il, who is providing them with happiness of today and work hard to repay his trust and love even though one-ten millionth. [incomplete sentence as received]

Daily Urges Implementing WPK Economic Strategy

SK1011140395 Pyongyang MINJU CHOSON in Korean 17 Oct 95 p 3

[Article by Yi Yong-min: "Thoroughly Implementing the Party's Revolutionary Economic Strategy Is an Honorable Struggle To Defend and Adhere to Socialism"]

[FBIS Translated Text] The socialist cause is a grand cause to achieve the independence of the popular masses. Such a lofty historic cause will only advance and be completed with the devoted struggle of the popular masses under the party's leadership. What is important at present in adhering to and completing the socialist cause, which our people pioneered with blood, is to thoroughly implement the party's revolutionary economic strategy.

The great leader [yongdoja] Comrade Kim Chong-il has pointed out: "What is most important today in adhering to and defending socialism is to thoroughly implement the party's revolutionary economic strategy."

Triumphantly advancing the socialist cause by expounding the correct strategy that meets the realistic demand of the revolution's development is a basic mission of the party that guides the revolution and construction.

During the entire period in which our party led the revolution and construction, our party expounded the strategy in the struggle that meets the demand of the revolution's development and the realistic conditions of the country, and wisely organized and led the struggle. Socialism has triumphantly marched ahead in our country amid history's whirlpool, without any deviation, and our people have vigorously struggled with a firm confidence in victory and an optimism despite the complicated and stern situation, again without any vacillation. This stems from the fact that our party has correctly set forth its strategy in the struggle and has wisely led the struggle for its realization.

On the basis of its analysis regarding the changed international climate and the current status of our country's socialist economic construction, our party has set forth the revolutionary economic strategy and has wisely organized and led the struggle for its realization.

The revolutionary economic strategy set forth by our party is the most correct economic strategy of our own style that correctly reflects our people's aspirations and demands and entirely meets the fundamental interests of our revolution. It serves as a milestone in further developing our country's socialist economic construction to a new and higher level, and in further strengthening the independence of the national economy.

The key to victory in the struggle to adhere to and add luster to our own style of socialism is to thoroughly implement the goals of the party's revolutionary economic strategy. At present, the imperialists and reactionaries are working with more malignancy than ever to crush our Republic, which is marching ahead under the uplifted socialist banner, using political and military pressure and economic blockades. Under such conditions, to thoroughly implement the party's revolutionary economic strategy is a decisive key in defending and adhering to socialism and in smashing the anti- Republic and anti-socialist maneuvers of the imperialists and reactionaries.

Thoroughly implementing the party's revolutionary economic strategy is a lofty struggle to further enrich our country, our fatherland, which the great leader Comrade Kim Il-song founded and the great leader [yongdoja] Comrade Kim Chong-il has glorified, as well as a worthwhile struggle to defend and add luster to our own style of socialism by repelling all challenges by the imperialists.

Thoroughly implementing the party's revolutionary economic strategy is an important guarantee to inspire the popular masses to staunchly fight ahead with a firm confidence in socialism.

The socialist cause has been adhered to and advanced by the firm confidence and will of the popular masses, who are firmly united as a political force and who are armed with the socialist idea. The confidence of the popular masses in victory can be consolidated when they directly experience the superiority and vitality of the socialist system and feel deep gratitude for this.

Our party's revolutionary economic strategy is a plan to fully demonstrate the superiority and vitality of our own style of socialism by momentously promoting the people's standard of living.

In order to promote the people's standard of living, we should decisively increase the production of consumer goods. This depends on how the existing powerful means of production displays its might. The more powerful the production of the means of production—in other words, if we give priority to the preceding sectors of the national economy by readjusting, reinforcing, and effectively utilizing the existing economic foundation—the brighter the prospects for ceaselessly increasing the production of consumer goods.

Under the current condition in which the heavy industry base is firmly provided for in our country, the party's economic strategic goal is to concentrate strength in developing agriculture, light industry, and trade, which has great potentiality. By so doing, the problem of the people's standard of living can be decisively solved. The economic strategic goal is to increase state investment in sectors directly related to the people's standard of living, such as agriculture, light industry, and foreign trade, and to provide the country's capital, facilities, and material for developing the rural economy; produce consumer goods; and produce export goods. By so doing, ways and methods have been clearly elucidated to enhance the people's standard of living in an epoch-making manner. The party's economic strategic must be thoroughly implemented so our country's socialist rural economy can be all the more consolidated and developed in order to endlessly develop all sectors of agricultural production, including grain production; to actively promote the modernization of light industry; and to smoothly produce and supply various light industry raw materials, including chemical fibers and synthetic fibers, so various high-quality mass consumption goods can be produced by all units within the light industry sector. In addition, trade must be developed to actively pioneer foreign markets. By firmly maintaining the export goods production base and by increasing the production of export goods, the people's standard of living can be all the more enhanced.

If the people's standard of living is all the more enhanced by implementing the party's revolutionary economic strategy, all people will experience in their hearts the benevolence of the great leader [yongdoja] Comrade Kim Chong-il, who devotes his efforts to providing a more abundant and happier life to all the people, and will absolutely admire and uphold the party and the leader [suryong]. By so doing, they will all the more firmly possess faith in and attachment to our own style of socialism, which is our life, and will have a high ideological determination to devotedly struggle to abide by and elucidate this gratifying socialist system, sacrificing their lives.

To thoroughly implement the party's revolutionary economic strategy is an important guarantee in providing a reliable economic basis to complete the socialist cause.

If the socialist cause is to be victoriously advanced and completed, its economic basis must be firmly accumulated. Just like a house with a weak foundation cannot endure the hardships of time, socialism that lacks a firm economic basis cannot overcome history's violent gale.

Our party's revolutionary economic strategy is a blueprint to strengthen the economic basis of our own style of socialism.

To strengthen the country's economic might, production must be maintained at a steady rate in all sectors, putting the leading sectors of the people's economy in the forefront, and must sufficiently manifest the might of economic basis which has already been provided. Maintaining a steady rate of production is dependent on the leading sectors of the people's economy; without putting the leading sectors of the people's economy in the forefront, raw material, fuel, power, and the materials necessary to implement the policy that agriculture is best, light industry is best, and trade is best cannot be easily supplied, and production cannot be maintained at a steady rate in any sector.

The party's economic strategic goal is to put the leading sectors of the people's economy in the forefront in conformity with the concrete situation of our country's economy, which is developing on a high basis. By so doing, production-consumer ties and the balance between the related economic sectors and units can be rationally achieved in order to smoothly carry out the social production cycle, and to make it possible to maintain a high and steady rate of production in all economic sectors. In addition, by sufficiently manifesting the production potentiality of the already-provided economic basis, this should be made to all the more better serve the development of the rural economy and light industry, and to smoothly satisfy society's material demand, which endlessly increases. The party's economic strategic goal must be achieved so the overall economic balance, including the balance between economic construction and the people's standard of living and between the production of means of production and production of consumer goods, can be put on the right track. We must vigorously promote the overall socialist economic construction; must increase production in an epoch-making manner in all sectors; and must all the more strengthen our economy's self-dependence in order to make its might an invincible one. Therefore, by adding economic and technical might to the political and ideological might of our own style of socialism, it is possible to consolidate our socialist revolutionary camp into an invincible and impregnable fortress, and to firmly guarantee the victory of the chuche socialist cause in economic might.

All functionaries and workers must highly manifest the revolutionary spirit of self-reliance and fortitude so they can boldly overcome the difficulties and trials they are faced with, and must vigorously carry out the struggle to implement the party's revolutionary economic strategy. By so doing, they will all the more make my country and my fatherland even wealthier and more powerful, and will resolutely advocate, adhere to, and endlessly elucidate our own style of socialism.

Talk Stresses Succession of Party's Cause

SK1111021095 Pyongyang Korean Central Broadcasting Network in Korean 2240 GMT 8 Nov 95

[Unattributed talk from the "Rays of Chuche" program: "Our Party Is a Party That Has Been Built in a Farsighted Way To Firmly Succeed the Party's Cause Generation After Generation"]

[FBIS Translated Text] In his classic work, "The Workers Party of Korea Is the Great Leader Comrade Kim Il-song's Party," the great leader [yongdoja] Comrade Kim Chong-il taught that our party is a party that has been built in a farsighted way to firmly succeed the party's cause.

The great leader [yongdoja] Comrade Kim Chong-il pointed out that the great leader Comrade Kim Il-song built our party in a farsighted way to firmly succeed the party's cause generation after generation. As taught by the great leader [yongdoja] Comrade Kim Chong-il, our party was built in a farsighted way to firmly succeed the party's cause generation after generation in accordance with the wise leadership of the respected and beloved leader [kyongaehanun suryong] Comrade Kim Il-song.

The problem of building the party in a farsighted way is one of the very important problems in successfully completing the popular masses' independent cause and the leader's [suryong] cause. The popular masses' independent cause is the leader's [suryong] cause and the party's cause, and this is a historic cause progressed through many generations.

The working class party can unchangeably adhere to the revolutionary character and appearance as a leadership political organization only when the leader's [suryong] ideology and leadership are firmly succeeded generation after generation, and carry out its honorable mission to the end.

If the party is to correctly succeed the leader's [suryong] ideology and leadership, succession must be thoroughly guaranteed in party building. Correctly solving the succession problem of the leadership is a very important problem related to the fate of the revolutionary cause of the working class.

In essence, the succession problem of the party's leadership is the problem of putting forth the successor of the political leader [suryong] and establishing his leadership system. In other words, it is the problem of succeeding the leader's [suryong] leadership generation after generation.

Therefore, when the succession problem of the leadership is to be correctly solved, it signifies that the people embody endless loyalty, great leadership, and lofty revolutionary virtue toward their leader [suryong]; highly uphold the leader [yongdoja] who is receiving the people's absolute support and faith, as the leader's [suryong] only successor due to the achievements and accomplishments fulfilled in the revolution and construction; and work to firmly succeed the leader's [suryong] leadership generation after generation by thoroughly establishing the successor's unitary leadership system.

The victory, defeat, and future of the revolutionary cause of the working class, is ultimately dependent on the problem of farsightedly building the party, that is the problem of the succession of the leadership.

The respected and beloved leader [kyongaehanun suryong] Comrade Kim Il-song not only founded our party and strengthened and developed it into an invincible party, but from early on, he also paved a firm basis to brilliantly succeed and complete the party's cause through his outstanding farsightedness.

Our party has been built as a prosperous party capable of steadily inheriting the party's cause generation after generation primarily because the respected and beloved leader [kyongaehanun suryong] Comrade Kim Il-song elucidated the road ahead of our party and revolution with his farsightedness and firmly prepared the party's organizational and ideological ground, as well as its leadership system, for the succession to and completion of the chuche revolutionary cause.

To solve problems concerning the succession to leadership during the leader's [suryong] generation means to appoint a great leader [widaehan yongdoja], who is boundlessly loyal to the leader [suryong] and his cause, as the successor to the leader [suryong] and firmly establish the successor's leadership system.

The great leader [widaehan suryongnim] keenly realized the significance of the succession to leadership in building the party as a prosperous one and made great efforts to brilliantly solve the problem, thus setting a genuine example that will shine forever in the history of the communist movement.

As a result, our party and people could begin to uphold respected and beloved Comrade Kim Chong-il, another great leader [ttohanbunui widaehan yongdoja] and a paragon of a great man [cholseui wiin], at the top of the party, the state, and the revolutionary Armed Forces during the respected and beloved leader's [kyongaehanun suryongnim] generation, and could effect a new historic change in implementing our people's chuche revolutionary cause, the socialist cause.

Our party has been built as a prosperous party capable of firmly inheriting the party's cause generation after generation also because the respected and beloved leader [kyongaehanun suryong] Comrade Kim Il-song's ideas and leadership have perfectly been inherited by the great leader [widaehan yongdoja] Comrade Kim Chong-il.

The course of the victorious advance of the socialist cause in our country is the glorious history of the resolute protection and perfect inheritance of the chuche idea, revolutionary traditions, and the single-hearted unity, which the respected and beloved leader [kyongaehanun suryongnim] Comrade Kim Il-song prepared, by the great leader [widaehan yongdoja] Comrade Kim Chong-il.

Respected and beloved Comrade Kim Chong-il, who has both literary and military accomplishments as well as filial and loyal piety at the highest level, has confidently developed the chuche revolutionary cause while considering the chuche idea, revolutionary traditions, unity, and cohesion prepared by the great leader [widaehan suryongnim] to be the kernel of the revolution.

In the course of succeeding to and completing the chuche revolutionary cause, the great leader [widaehan yongdoja] Comrade Kim Chong-il presented a creative idea on building the party as the leader's [suryong] party and has built our party as the great leader [widaehan suryong] Comrade Kim Il-song's party, both in name and reality, with his seasoned and energetic leadership.

Although the socialist cause is internationally undergoing serious pains and vicissitudes today, it is victoriously advancing in our country entirely because we uphold the great leader [widaehan yongdoja] Comrade Kim Chong-il at the front of the party and the revolution.

By manifesting in his work the idea that our party has been built as a prosperous party capable of firmly inheriting the party cause generation after generation, the great leader Comrade Kim Chong-il has enabled the immortal achievements accumulated by the great leader [widaehan suryong] Comrade Kim Il-song in the course of building the party to shine forever through generations and gave a scientific answer to the most important question in building a revolutionary working-class party.

Daily Urges Accelerated Socialist Construction

SK1211135795 Pyongyang MINJU CHOSON in Korean 17 Oct 95 p 1

[Editorial: "Let Us Vigorously Step Up Socialist Construction by Continuously Adhering to the Elevated Zeal"]

[FBIS Translated Text] Now, when the 50th anniversary of the founding of the Workers Party of Korea [WPK] has been brilliantly adorned as a grand festival of victors, our people's revolutionary spirit is extremely high.

The great leader [yongdoja] Comrade Kim Chong-il has personally sent a message of thanks to party members, soldiers of the People's Army, and all Pyongyang citizens for powerfully demonstrating the invincible might of our party and our people with the successful celebrations of the 50th anniversary of the founding of the WPK. The message of thanks extended by the great leader [yongdoja] Comrade Kim Chong-il inspires our people, who are overflowing with pride and dignity for having ensured the celebrations of the 50th anniversary of the founding of the party on a high political and ideological level, to new struggles and feats.

The functionaries and working people should thoroughly carry through the behests of the great leader Comrade Kim Il-song with high degree of the revolutionary enthusiasm they displayed in the celebrations. Thereby, they should bring about a new turn in the revolution and construction, and brilliantly live up to the party's trust and expectation.

The great leader [yongdoja] Comrade Kim Chong-il has pointed out: "Today, stands before our party and our people heavy and yet glorious tasks of inheriting and consummating the chuche socialist cause pioneered and led by the great leader Comrade Kim Il-song through generations."

Significantly celebrating the 50th anniversary of the founding of the party as a grand festival of victors is a conspicuous event that will shine forever in the history of the chuche Korea.

Through the grand political festival, our people have demonstrated at home and abroad our party's proud achievements embroidered with victories and glories accomplished during half a century, and powerfully displayed the invincible might of our people who are singleheartedly united around the party and our party's high authority which confidently leads the popular masses' cause for independence.

During the days of significant celebrations, our people have deeply realized their fortune of having great leaders through generations and firmly cemented their resolve to staunchly march ahead alonng the road of revolution under the leadership of the respected and beloved [kyongaehanun] general. Thereby, the single-hearted unity of the revolutionary ranks have been further consolidated as firm as a rock and the political force of our revolution has been strengthened to the maximum. These are priceless achievements for the successful advance of the revolution that cannot be compared with anything else.

With the revolutionary enthusiasm to greet the 50th anniversary of the founding of the party with high labor feats, our people have vigorously stepped up the struggle to implement the slogans of the party Central Committee, and thus brought about a new turn in the production and construction. Our heroic working class, who are endlessly loyal to the party and the leader [suryong], has waged a heroic struggle to carry forth the party's revolutionary economic strategy. In doing so, they have set up numerous monumental creations and opened new plants. Upholding high the party's agriculture-first policy, the agricultural working people have waged a vigorous struggle to increase grain production. Such achievements have laid a firm foundation to glorify the superiority of the popular masses-centered socialism of our own style and to strengthen the might of socialism.

Waging vigorous struggles to consolidate the achievements made on the occasion of the 50th anniversary of the founding of the party and to achieve new victory in the socialist construction is an important task arising before us.

Endlessly marching ahead to new victory, while registering innovations is our people's traditional ethos of struggle. In order to smash antisocialist, antirepublic maneuvers of the imperialists and reactionaries and to achieve the victory of the chuche revolutionary cause, we should continuously adhere to the ethos of struggle displayed in the days of stern struggle and further make strenuous efforts to maintain the elevated spirit on the occasion of the recent significant holiday.

Our socialist cause has been victorious for generation after generation, but we still have massive tasks ahead. Reality demands that we purely inherit the work style, which was adopted during the days of the exciting struggle when we held high the revolutionary red flag and fought resolutely, and that we continuously and vigorously advance in the same spirit with which we accelerated the grand march to implement the slogans of the party Central Committee. When all officials and workers struggle in this spirit, they will be able to make the revolutionary drum reverberate even further on all fronts of socialist construction; will further glorify the leadership achievements of the party, which have accelerated our forward march and have developed the history of our country's socialism with epic feats; and will provide brighter prospects for the future of our fatherland.

The end of the year is just around the corner. How we will accelerate production and construction for the remainder of this year will determine how successfully we will execute the people's economic plan for this year and improve their lives. Officials and workers must make en?less innovations in socialist construction, using the enthusiasm and spirit with whi?h they successfully celebrated the 50th anniversary of the party's founding, thus winning a great victory in implementing the party's revolutionary economic strategy and achieving boundless prosperity for our country, our fatherland.

What is most important is for us to firmly believe that when we uphold the party's intentions, we can achieve endless advances and win proud victories in socialist construction.

With massive tasks still ahead, people who carry out the revolution must carry out their tasks with firm confidence in and optimism for the future. Only then can they overcome difficulties on their own and continuously achieve innovations and advancements.

With an indomitable belief and will, the great leader [widaehan yongdoja] Comrade Kim Chong-il is in the vanguard, leading the struggle to crush the enemy's maneuvers and to defend, maintain, and glorify our own style of socialism. As long as there is the great leader [widaehan yongdoja] Comrade Kim Chong-il, as long as there are revolutionary people who maintain the firm belief that we will carry out whatever the party decrees, and as long as there is a strong foundation to the self-reliant national economy, then we can achieve new upsurges in socialist construction.

All officials and workers must possess strong confidence in and optimism for a hopeful future, and must positively wage the struggle to achieve endless advances and innovations in socialist construction. Officials and workers must firmly believe there is nothing they can fail at as long as we have the great leader [widaehan yongdoja] Comrade Kim Chong-il, and must more thoroughly establish the revolutionary trait of executing the party's policies without fail based on the principle of absoluteness and unconditionality.

What is also important in letting officials and workers continuously maintain their heightened enthusiasm and vigorously accelerate socialist construction is to highly display a revolutionary spirit.

A revolutionary spirit is one of boundless devotion to the party, the revolution, the fatherland, and the people as well as an indomitable spirit of struggle in which one unyieldingly breaks through any tough trial. In the long historic course beginning with the anti-Japanese revolutionary struggle, through the building of a new fatherland and the great chollima upswing, up until today, this revolutionary spirit has been a source of boundless power inspiring people to heroic struggles and glorifying the revolution and construction with proud victories. Today, our party demands that officials and workers more highly display this revolutionary spirit in compliance with the requirements of reality in which the revolution has entered a new stage of development.

The achievements our people brought about in implementing the revolutionary economic strategy on the 50th anniversary of the party's founding are great and valuable. The spirit of struggle displayed in executing the tasks presented by the party Central Committee's slogans is a great spirit that must be displayed without fail in order to bring about great achievements in socialist construction. Official and workers must carry out all tasks in a revolutionary manner, and must positively execute them no matter how unfavorable the conditions may be and no matter how massive the tasks may be. They must not feel at ease even for a moment, but must work in a tense and combative posture, must devote themselves to carrying out their revolutionary missions while always assuming the attitude of masters, and must make brisk efforts to execute their tasks without fail. People who have a stronger position to be self-reliant, even when they face greater difficulties; who display a strong sense of responsibility and creativity no matter what they do; and who work hard only for the party, the revolution, society, and the collective, without hoping for fame or comfort, are genuine revolutionaries who cherish in their hearts the party's intentions.

Enhancing the roles of administrative and economic officials is very important for continuously heightening the enthusiasm of the masses and for letting them vigorously accelerate production and construction.

Administrative and economic officials are educators and organizers of the masses. When administrative and economic officials effectively lead combat organizations and commands, and lead the masses by setting personal examples, only then can they highly arouse the revolutionary enthusiasm of the masses, thus vigorously accelerating production and construction.

Administrative and economic officials must assume a firm attitude of taking full responsibility for economic work in their areas, and must al?ays ponder how they can highly arouse the enthusiasm of the workers, thus better implementing the party's economic policies. They must also skillfully organize and carry out economic construction with a specific methodology. Administrative and economic officials must always go deep into real scenes, work and live with the masses, let them know the party's ideas and intentions, encourage and inspire them to achieve new upsurges, and lead them by setting personal examples.

In particular, administrative and economic officials must effectively carry out economic organizational work. When powerful political work is correctly combined with appropriate economic organizational work, only then can the revolutionary enthusiasm of the masses be heightened and translated into greater achievements. Administrative and economic officials must effectively carry out planning work, supply work, the organization of production, the organization of labor, and technological guidance in compliance with the heightened?enthusiasm of the producing ma?ses; must have a good understanding of production processes; and must solve problems in a timely manner, thus making it possible for the producing masses to carry out more positive and creative labor activities.

By so doing, the industrial sector must maintain a high and steady rate of production of coal, electricity, and steel products, thus producing mor? with the existing facilities, materials, and labor. The agricultural sector must accelerate harvesting and translate the heightened enthusiasm of the masses into practical achievements in economic construction.

With great pride in the fact that they brilliantly celebrated the 50th anniversary of the party's founding as a grand festival of victors, all officials and workers must continuously accelerate socialist construction, thus vigorously displaying the heroic spirit of our people who are advancing endlessly after single-heartedly uniting around the party and the appearance of chuche Korea.

International Movement Supports Founding Proposal

SK1311112695 Pyongyang KCNA in English
0923 GMT 13 Nov 95

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA) — An international solidarity movement supporting and encouraging the cause of the Korean people for the country's reunification has been waged on the occasion of the 15th anniversary of the proposal for founding the Democratic Confederal Republic of Koryo advanced by the great leader President Kim Il-song at the historic 6th Congress of the Workers' Party of Korea on October, 1980.

The International Liaison Committee for Reunification and Peace in Korea set every October as the month of supporting the proposal for founding the DCRK for Korea's reunification and called for actively staging the international solidarity movement for supporting the reunification of Korea. Solidarity functions were held in over 160 countries, regions and international organizations on five continents of the world in the period of the month this year.

The great leader Comrade Kim Chong-il received solidarity telegrams and letters supporting the proposal for reunification through confederacy from heads of party, state and government, politicians, public figures, military authorities, scholars and press men, groups for the study of the chuche idea and organizations for friendship and solidarity with the Korean people in many countries.

They mentioned the immortal exploits of President Kim Il-song recorded in the history of the movement for national reunification and expressed the conviction that the Korean people will certainly achieve the reunification of the country through confederacy formula as they have Comrade Kim Chong-il as the lodestar of the reunification of the country and the centre of the great unity of the nation.

The Socialist Party of Peru, the Peruvian Front for National Liberation and 17 other political parties and organizations of Peru and the Latin American Institute of the Chuche Idea, the Bulgarian Communist Party (Marxists), the League of the Bulgarian Fighters Against Fascism and 18 other political parties and organizations of Bulgaria, the Workers' Party of Bangladesh, the Socialist Party of the Workers and Peasants and 6 other political parties and organizations of Bangladesh published joint statements and reaffirmed full support to the proposal for founding the DCRK based on one nation, one state, two systems and two governments, praising it as the most reasonable and realistic programme for reunification in that Korea's reunification can be realised independently and peacefully and on the principle of great national unity. Joseph Msika, national chairman of the Central Committee of the Zimbabwe African National Union-Patriotic Front; and Amaral Matos, first secretary of the Maputo City Committee of the Mozambique Liberation Front Party; and other figures strongly demanded in their statements that the South Korean authorities unconditionally accept the proposal for founding the DCRK, which correctly reflects the Korean people's desire for reunification.

The 11th Summit Conference of the Nonaligned Countries, the Conference of the Presidential Council of the World Federation of Trade Unions and other international meetings and the 6th Congress of the Communist Party of India, the 22nd Congress of the All- Cyprian Federation of Trade Unions and other meetings of political parties and organizations reaffirmed their support to the struggle of the Korean people to reunify the country on the three principles of independence, peaceful reunification and great national unity and the proposal for reunification through confederacy.

The Asian Regional Committee to Support Korea's Reunification, the all India Indo-Korean Friendship Association and the Indian Committee for Supporting Korea's Reunification called upon the governments, political parties, organizations in all countries and peace-loving people of the world to put international pressure on the South Korean authorities to accept the proposal for reunification through confederacy and the 10-point programme of the great unity of the whole nation and remove all kinds of institutional and physical barriers including the "National Security Law" and the concrete wall at an early date.

In response to this, a large number of political parties and organizations and people from all walks of life of the world actively joined in the international solidarity movement supporting and encouraging the just cause of the Korean people and denounced the U.S. imperialists and the South Korean authorities for aggravating the confrontation and military tension on the Korean Peninsula.

Counties Across Country Plant More Trees

SK1011030795 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 8 Nov 95

[FBIS Translated Text] Working people, youth, and students across the country are unanimously rising to plant autumn trees by upholding the remarks by the great leader [yongdoja] Comrade Kim Chong-il on properly carrying out reforestation work. Thanks to their devoted efforts to increase the country's forestry resources, as well as to further beautify its landscape, a great number of trees — such as big corn pines, larch trees, and acacia trees — have been planted in recent days.

With a desire to make the streets of the capital and villages become more green, working people, youth, and students in Pyongyang have planted various plants among the ancient revolutionary relics, recreation parks, and streets of the capital, including Munsu Peak and Mt. Chang where immortal achievements of the great leader [suryongnim] and our party are preserved.

Various counties — such as Pyoksong County in South Hwanghae Province, Insan County in North Hwanghae Province, and Onchon and Unsan counties in South Pyongan Province — have enabled working people, youth, and students to cherish deep in their hearts the faith that they can make all mountains of the fatherland become green with forests only if they uphold the party's grand nature-remaking plans, and that they can further glorify my country, thus leading them to take good care of the trees, even a tree, with their patriotism.

Working people of the various cities and counties in provinces throughout the country, including North Pyongan Province and South Hamgyong Province, which have gained achievements in planting trees, are accelerating tree planting, cherishing in their hearts a resolution to plant more trees than planned, including larch trees and big corn trees.

South Korea

Reports on Jiang Zemin's Meeting Kim Yong-sam

Jiang, Kim Hold Summit

SK1411063495 Seoul KBS-1 Radio Network in Korean 0500 GMT 14 Nov 95

[FBIS Translated Text] [Unidentified announcer] President Jiang Zemin, the first PRC head of state to pay a state visit to the ROK, attended the official welcoming ceremony at Chongwadae [presidential offices] this morning and held a summit with President Kim Yong-sam. The details will be reported by correspondent Yim Chang-kun from Chongwadae.

What discussions were held between the leaders of the two countries at this morning's summit?

[Yim Chang-kun] The summit between President Kim Yong-sam and President Jiang Zemin was held for about one hour and 40 minutes, longer than the original schedule.

Today's summit agenda consisted of largely two items: an exchange of views on the situation surrounding the Korean peninsula and cooperation in the international arena, and measures for practical cooperation between the ROK and PRC.

At today's talks, the leaders of the two countries held in-depth talks on measures of cooperation for achieving peace on the Korean peninsula and on Japan's awareness of history.

In the field of economics, which made rapid progress over the past three years since the establishment of diplomatic relations, there have been specific successes. At present, the PRC and ROK are pushing ahead with four major cooperation projects, namely, atomic energy, airplanes, high-definition televisions, and automobiles. Among them, the two leaders agreed to undertake the joint development of medium-sized aircraft as soon as possible. The two leaders also agreed to further expand and develop relations between their countries through practical cooperation, such as the construction of atomic power plants and the development of Russian gas fields.

The two leaders also shared the view that as members of the UN Security Council, their two countries will closely increase cooperation in the international arena, such as in the United Nations, APEC, and the Asia-Europe summit meeting scheduled in Thailand next March.

[Announcer] We hear that during the joint news conference held by the two leaders following the summit, President Jiang Zemin made fairly tough remarks on the issue of Japan's awareness of history.

[Yim] Yes, he did. In the joint news conference following the summit, President Jiang Zemin stressed that Japan should have a correct awareness of its history of aggression. In answer to reporters' question on his view of the repeatedly reckless remarks by Japanese officials, President Jiang Zemin stated the same thing, adding that the essential point of the issue is whether Japan admits to its war of aggression.

President Jiang stated the PRC wants to continue with the development of friendly relations with Japan, but this should be preceded by Japan's correct recognition of the disasters caused by Japanese militarism. He deplored the fact that, even though half a century has passed since the end of the war between the PRC and Japan, many Japanese, including politicians, still hold a stubborn and incorrect view of history. President Jiang Zemin said every time he met with high-ranking Japanese figures, he stressed that not forgetting the past is a lesson for the future, adding that we should beware of the few militarists in Japan and should ask Japan to correctly recognize history for the development of peace.

At the news conference, President Kim Yong-sam stated that Japan's correct recognition of its past is directly related to peace and stability on the Korean peninsula, as well as to the peace of the PRC, Asia, and the world. He explained that the issue was discussed in-depth during today's summit, stressing that taking this opportunity, Japan's incorrect recognition must be corrected.

[Announcer] Correspondent Yim, please summarize the significance of the summit.

[Yim] President Jiang Zemin's visit to the ROK marks a new turning point in ROK-PRC relations. Above all, the visit has historical significance because this is the first time a PRC supreme leader, who possesses the true power of the party, government, and military, has visited the Korean peninsula. The PRC has adopted an equidistant diplomacy between the ROK and North Korea, but Jiang's visit can be interpreted as the PRC's determination not to pay attention to North Korea any more in developing ROK-PRC relations.

Even though the framework has not changed, the summit reaffirmed the principle that inter-Korean issues should be resolved through dialogue between the parties concerned. This will considerably affect North Korea's policy.

No PRC leader has visited North Korea since the establishment of diplomatic relations between the ROK and the PRC. Although Yang Shangkun visited North Korea, he was president in name only, possessing no real power. During the same period, Li Peng, premier of the State Council, and the third-ranking Qiao Shi, chairman of the Standing Committee of the National People's Congress, visited the ROK. President Jiang Zemin's visit to the ROK confirms that the PRC's foreign relations policy has shifted its focus from North to South Korea.

Another achievement of President Jiang's ROK visit is that the ROK and the PRC, which share the same experience as regards Japan, formed a sympathy in recognition of the past.

President Jiang Zemin will call on the National Assembly at 1530 [0630 GMT] today and address the main session. President Jiang is expected to reiterate the PRC Government's position on Japan's absurd remarks about its past.

Leaders Comment on Japan

SK1411061095 Seoul YONHAP in English 0550 GMT 14 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP) — South Korean President Kim Yong-sam and Chinese President Jiang Zemin warned Japan Tuesday that future goodwill relations with its neighbors, including Korea and China, can only be maintained when Japan fully comes to terms with its history of "aggression" upon Asian nations.

In a joint press conference following their meeting at Chongwadae [presidential offices], the two leaders expressed concern about a series of "outrageous remarks" Japanese politicians have recently made to justify Japan's invasions of Asia-Pacific nations in the first half of the century.

Asserting that it must fully understand its past hostile behavior, President Kim noted that he has urged Japan to reflect on its history of past aggression and atrocities inflicted upon Korea and its people. He also called for Tokyo to take into account its past wrongdoings in pursuing future relations with Korea.

Noting that Japanese politicians have made such outrageous remarks more than 30 times over the 50 years, Kim stressed making such statements should be stopped once and for all.

He added that he had ordered cancellation of a scheduled summit and foreign ministers' meetings with Japan to manifest the moral difference between his civilian government and the previous military governments.

The issue of remarks trying to justify Japan's colonial rule of Korea not only has a bearing on Korea and China, but also on peace within the region and the world, he asserted.

Both leaders also agreed that to maintain peace on the Korean peninsula, Seoul and Beijing need to cooperate with the existing armistice agreement of the Korean war needing to be kept intact until a lasting peace arrives on the peninsula.

During the summit, Kim disclosed that he and Jiang had an in- depth discussion of repeated comments from Japanese political circles rationalizing Japan's past aggression of Asian nations.

When asked about his country's stance toward such controversial remarks, the Chinese president said that history, whatever it may be, cannot be rewritten. He added that China and Korea should be alerted against the movements of a small militarist force in Japan, while seeing to it that the Japanese people have a "straight" look at their history.

Though half a century has elapsed since the end of the war between China and Japan, some Japanese politicians still have the wrong view of history that denies their nation's invasion of China and other Asian countries, the Chinese president remarked.

Declaring that Tokyo has no definite view of history, he added that a key issue will be whether the Japanese government admits its war of past aggression that it waged against Asian nations in the first half of the century.

Saying that he had always reminded Japanese leaders that remembering their country's past would guide them in their future course of action, Jiang expressed his hope that China and Japan would be able to promote a future-oriented friendly cooperatiion between them.

"But there is a prerequisite for that," he said, adding "Japan must have a correct understanding of the pains its militarists inflicted on the Chinese people in the past."

Leaders Discuss Korean Peninsula

SK1411080795 Seoul YONHAP in English 0724 GMT 14 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP) — South Korean President Kim Yong-sam and his Chinese counterpart Jiang Zemin agreed Tuesday that Korean problems should be solved through dialogue between the immediate parties concerned, namely South and North Korea, with the cooperation and understanding of neighboring countries.

The agreement came during a summit meeting between the two leaders held at Chongwadae [presidential offices], where they comprehensively discussed developments in and around the Korean peninsula, international affairs and ways of increasing mutual economic cooperation.

A one-on-one meeting between the two leaders, which was originally planned for 40 minutes, lasted 95 minutes so an ensuing session in which they are assisted by their assistants was shortened to 15 minutes.

During the expanded summit meeting, which was attended by Korean Foreign Minister Kong No-myong and his Chinese counterpart Qian Qichen, the two leaders shared the view that peace and stability on the peninsula is essential to both South Korea and China as well as to peace and prosperity in the Asia-Pacific region.

Kim and Jiang expressed satisfaction over the industrial cooperation between their countries which they saw progressing as smoothly as agreed at last year's summit meeting in China.

Being the first Chinese head of state to visit South Korea, Jiang agreed with his Korean counterpart that the two countries would positively seek mutual cooperation for joint development of medium- sized aircraft, atomic energy, and oil fields in Russia.

They shared the view that both governments would cooperate in the fields of vocational training, with Kim stating Seoul's willingness to establish a vocational training center in Beijing as a symbol of Korea-China friendship and cooperation.

During the summit meeting, Kim and Jiang have also discussed ways to increase practical economic cooperation in the fields of automobile, atomic energy, and high-definition televisions.

Viewing that their two nations' cooperation will become the vital force for the prosperity of Asia-Pacific region in the 21st century, the top leaders agreed to establish closer cooperation through the Asia-Pacific Economic Cooperation (APEC) and Asia-European summit meetings.

Koreas Urged To Improve Trust

SK1411090695 Seoul YONHAP in English 0848 GMT 14 Nov 95

["China Hopes Both Koreas Reconcile, Reunify: Jiang" — YONHAP headline]

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP) — Chinese President Jiang Zemin said Tuesday that China hopes South and North Korea will achieve national reconciliation and independent and peaceful reunification by enhancing mutual trust.

In his address to the National Assembly here, he said, "As a close neighbor, China sincerely hopes that the South and North sides of the (Korean) Peninsula will, through their contacts and dialogues, gradually enhance mutual trust and improve relations, with a view to ultimately achieving national reconciliation and independent and peaceful reunification."

Jiang, who arrived here Monday evening for a five-day state visit, told lawmakers and representatives of the ruling and opposition parties that easing tensions in the peninsula and finding appropriate solutions to the issues there serve the common interests of the people living on both sides of the peninsula. He added that it would also be conducive to peace and stability in Asia and the world at large.

"To maintain peace and stability is the fundamental norm governing China's approaches to the issues concerning the peninsula," he said.

He presented four principles of South Korean-Chinese relations.

"If we can step up economic cooperation and trade on the basis of the principles of equality and mutual benefit, complementary of respective advantages, cooperation in good faith and achievement of common development," said Jiang, "not only will we accomplish a great deal in these areas, we will also give a strong impetus to greater economic prosperity and stronger relations of friendship and good neighborliness."

He spoke of china's respective advantages in the research, application and development of basic sciences as well as new and high technologies.

"Besides, our two economies are strongly complementary," he said.

Mentioning the histories of both nations, the Chinese president stated, "We have had pasts that are similar in that both countries were invaded and humiliated by foreign powers and both made contributions to the victory of the world war against fascists fifty years ago."

"Now, we are all at a crucial juncture of our respective development and all enjoying robust economic growth," he added.

"China's political stability and the policy continuity are fully guaranteed," he said, noting, "the theory of building socialism with Chinese characteristics pioneered by Comrade Deng Xiaoping has become the guiding thought for Chinese people's modernization drive..."

Jiang continued, "The strong collective leadership group of our party, having weathered through decades of struggle, has successfully achieved the transition from the second generation to the third generation... All this shows that China's political stability and policy continuity are solidly based and reliably ensured."

Increased Investment Urged

SK1411091395 Seoul YONHAP in English 0851 GMT 14 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP) — Chinese President Jiang Zemin called on South Korean businesses Tuesday to increase investment in his country, while stressing the need to increase economic cooperation between the two countries.

Speaking at a luncheon that the Korea Foreign Trade Association and three other business organizations jointly threw in his honor at the Shilla Hotel, he called for increased South Korea-China cooperation on the principles of equality, reciprocity and co- development. He also noted that the bright prospect of the two nations' cooperation as both of their economies have strong and weak points. [sentence as received]

Pointing out that China now is enjoying political stability and economic growth, he said his government would further promote reform and open-door policies.

As increased cooperation between the two countries will be of help to their economic development as well as being in the interest of their citizens, Jiang declared that the Chinese Government will strongly support such cooperation and welcomes increased investment from South Korean businesses.

Kim Hosts Luncheon

SK1411063995 Seoul YONHAP in English 0624 GMT 14 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP) — Jiang Zemin, the first Chinese president to visit South Korea, started his official schedule here Tuesday morning by attending his formal welcoming ceremony at Chongwadae [presidential offices], the presidential mansion.

Having arrived here Monday evening for a five-day state visit, Jiang held a summit with South Korean President Kim Yong-sam Tuesday morning along with a press conference at Chongwadae.

At the meeting, Kim was accompanied by Foreign Minister Kong No- myong, ambassador to China Hwang Pyong-tae, Chief Presidential Secretary Han Sung-su, Senior Secretary for Economic Affairs Han I- hon, Senior Secretary for Foreign and National Security Yu Chong-ha and Senior Press Secretary Yun Yo-chun.

Jiang's entourage included Chinese Deputy Prime Minister and Foreign Minister Qian Qichen, member of the Political Bureau of the Central Committee of the Chinese Communist Party Ding Guangen, State Economic and Trade Commission Minister Wang Zhongyu and Vice Foreign Minister Tang Jiaxuan.

Following the press conference, Jiang participated in a luncheon hosted by chiefs of South Korean economic organizations and was scheduled to visit the National Assembly to deliver an address before meeting with Prime Minister Yi Hong-ku.

The Chinese president was also scheduled to attend a dinner hosted by President Kim and his wife Son Myong-sun later in the evening.

Chongwadae officials said they did not invite certain business tycoons to the dinner due to the prosecution's investigation into slush funds of former President No Tae-u. Instead, they asked 13 executive managers of big enterprises to the state function, including Sunkyong President Kim Sung-chong and Kang Chin-ku, president of Samsung Electronics Co.

Jiang Speaks at Assembly

SK1411115195 Seoul KBS-1 Television Network in Korean 0705 GMT 14 Nov 95

[Speech by PRC President Jiang Zemin at National Assembly building in Seoul — live, in Mandarin with voice-over Korean translation; translated from the Korean]

[FBIS Translated Text] [applause] Respected His Excellency Speaker Hwang Nak-chu, ladies and gentlemen;

It is my great pleasure to make a state visit to your country at the invitation of His Excellency President Kim Yong-sam.

I would like, first of all, to convey warm greetings and best wishes from the Chinese people to you who are present here, and through you to the ROK people.

The PRC and ROK are neighboring countries with a sea in between them. The exchange between our two countries has a long history. The people of our two countries began visiting each other as early as 2,000 years ago.

China's old culture had an important influence on our country. The book, "Literary Works in Kyewon," written by Master Choe Chi-won, a renowned scholar of your country, and the book, "The Manual of Oriental Medicine," edited in the 17th Century, have been mentioned as a praiseworthy episode in the history of cultural exchanges between our two countries.

China invented moveable-type printing machines in the 11th Century, and Korea invented copper-type printing machines in the 13th Century. Our two countries played their respective role not only in the Oriental but also in global culture.

A long time has passed and generations have changed. As I stand on this rostrum, I recall a long history of friendly visits between our two peoples.

With a view to promoting our mutual understanding, I would like to briefly introduce the status of reform and opening in China and present my view on the development of relations between China and the ROK.

Since New China was founded, we have launched serious social reforms and large-scale economic construction, thus achieving a historic success.

In the late 1970s we put forward economic construction as the central task, and began to implement major reforms and opening up. Thus, we sought the way for development corresponding to the practical situation in China. This was the very task of building socialism with Chinese characteristics.

Through efforts for the past 17 years, our nation has achieved great achievements, and realized a series of important successes. We implemented a household contract system in farms, and greatly developed new rising enterprises.

By reforming the system of public ownership of the national economy, we provided a new system of jointly developing various different economic elements — including state-owned groups, individuals, employers, and foreign currency-oriented economy, with public ownership as the main element.

By gradually reforming the traditional planned economy system, we built a basic framework of socialist market economy. With a view to improving industrial structure, we intensified primary industry, readjusted and promoted secondary industry, and are vigorously pushing ahead with tertiary industry.

Concerning the method of economic growth, we are changing the previous method to an intensive method. Our nation's external opening is further expanding, and as a result, an omnidirectional, multilateral, and multi-style structure, in which the opening moves from external sources inland and from the primary and secondary industry to tertiary industry, has been provided.

Concerning the political forces, we are directing great efforts to intensify socialist democratization and improve laws and systems. We are supplementing and perfecting the system of the people's representatives and the system of multi-party cooperation and political cooperation under the leadership of the Communist Party of China [CPC]. Reform and opening have vigorously pushed forward the development of our nation's economy.

From 1979 to 1994, our country's GNP grew at an average rate of 9.8 percent annually. GDP improved remarkably. And the income of residents in the rural and urban regions increased at an average rate of 6.3 percent annually.

In 1994, the total amount of our country's exports and imports reached $236.7 billion. As of September 1995, the total amount of foreign capital for practical investment in China was $105.4 billion. And currently, our foreign currency reserve exceeds $70 billion.

We have drawn up the Ninth Five-Year plan of the people's economy and the long-term development goals to be fulfilled by the year 2010.

By the year 2000, our country's population will have increased by 300 million people since 1980, but our per capita GNP will have increased four-fold since 1980. And our people's living standards will have been raised to a middle class level. By the year 2010, our GNP will have increased two-fold since the year 2000, and people's living standards will be all the more enhanced.

Our country's reform and openness are receiving widespread praise and drawing attention from international society, but there are those who are worried about the long-term stability of China's situation and its policy of reform and openness. There are others who worry that if China becomes strong it may be a threat to other countries.

I would like to take this opportunity to give my opinion on this matter. Our country's political stability and the continuance of the policy are sufficiently guaranteed. The theory of building socialism with Chinese characteristics created by Mr. Deng Xiaoping has already become a guiding ideology in the Chinese people's modernization construction. This is also in conformity with our reality, and thus a series of effective policies have been established.

Reform and openness during the past 17 years vigorously promoted our country's economic construction, and brought about concrete and practical benefits to the people. Therefore, reform and openness are receiving sincere support from the people.

In the course of strenuous efforts during the past several decades, our party formed a strong guiding body, and the transfer from the central guiding body of the second generation to the central guiding body of the third generation has already been smoothly carried out.

We have always sincerely accepted experiences and lessons; discovered and solved inconsistencies and problems during the process of advance, as appropriate; and, in particular, focused on dealing with the relations between reform, development, and stability. As all of this has been sufficiently defined, our country's political stability and continuity in policy are firmly based and reliably guaranteed.

The rumor that if China becomes strong it may be a threat to other countries has no basis. China's economy is developing rapidly, but when one considers the fact that China's population is large, China has a weak base, and when one considers its national income per capita, we are still among the developing countries whose incomes are low.

If China is to reach the level of middle-income developing countries and, furthermore, realize modernization, an enormous amount of effort over several generations, and a long-term and stable peaceful international environment are necessary.

China has consistently adopted a foreign policy supporting independence, sovereignty, and peace. China advocates friendly relations with other countries in the world based on the Five Principles of Peaceful Coexistence. Particularly, China emphasizes the development of neighborly and friendly relations with neighboring countries. [applause]

There is a Chinese proverb that says do not forcibly demand what you dislike from others. China, which was suppressed and humiliated by foreign powers for a long time, values independence and peace. [applause] China is one of the countries that proposed the Five Principles of Peaceful Coexistence and has resolutely opposed hegemonism and power politics. How could China forcefully inflict on others the pain it has suffered in the past? How could China do what it cannot tolerate?

China's military strength is purely defensive. China's modernization of armaments and its military spending is still low for a power. China's military budget is 1.5 percent of GNP, lower than that of most of the world's countries. In 1985 China had already reduced its armed forces by one million troops. China has transformed many defense corporations into civilian ones. Currently, 76 percent of the defense industry's total production is for civilian supplies. As we have reaffirmed, China will never participate in the arms race, never expand its territory, and never declare supremacy. [applause]

Knowledgeable people in the world recognize that China's development is beneficial to world stability and China's growth is conducive to world peace. Not long ago, we celebrated the 50th anniversary of the United Nations. The 21st Century is around the corner. Peace and development is still a fundamental task of the world. In order to make this world more beautiful, many societies should exert joint efforts to defend the world's peace and seek mutual development. [applause]

The Asia-Pacific region is rapidly growing and is dynamic. The region's international influence is also growing. Northeast Asia, where China and the ROK are located, is important in Asia, and is attracting the world's attention. We sincerely hope for the long- term stability of the area, as well as harmony between and development of all the countries in the area. [applause]

China is a country that loves peace. China has always respected the sovereignty of other countries, never interfered with the internal affairs of other countries, and never pursued self- interest. Preserving peace and stability on the Korean Peninsula [hanbando] is China's basic principle in dealing with the situation on the peninsula. Alleviating the tense situation on the Korean Peninsula and properly solving the question of the peninsula accords with the common interests of the people both in the North and the South and is beneficial to peace and security in Asia and the world.

As a close neighbor of the Korean Peninsula, China sincerely hopes that both sides of the peninsula — the North and the South — will gradually increase trust, improve their relations, and finally achieve national reconciliation and the country's independent and peaceful reunification through contact and dialogue. [applause]

Our two countries are neighbors that are both situated in a geographically important area and that have a similar and long cultural tradition. Our two countries underwent the same historical fate in which we experienced invasion and humiliation by foreign powers, and both countries made contributions to the victory of the world war against fascism fifty years ago. [applause]

Our two countries today both face an important period of achieving development, and have demonstrated a strong tendency of rapid economic growth.

During the three years since the establishment of diplomatic relations between China and the ROK, the friendly and cooperative relations between the two countries in various fields — including politics, economics, science and technology, and culture — have developed rapidly and achieved clear results. The cooperation in economic trade between the two countries is good; the volume of trade is increasing about 50 percent annually; and it is expected that the volume of trade between the two countries this year will exceed $15 billion.

The two countries have emerged as important trading partners, and China has become the ROK's most important target country for foreign investment. Our country, which is in a growth phase of economic development, has an enormous amount of demand for investment and consumption, and has a great market of 1.2 billion people.

The ROK's economy, which has grown rapidly in recent years, has the ability to compete equally with other countries. Our two countries each have strong points in the study, application, and development of basic science and up-to-date technology, and the economies of the two countries have strong complementary characteristics.

If the two countries of China and the ROK can strengthen economic cooperation and trade on the basis of the principles of equality, mutual benefit, complementarity of respective advantages, cooperation in good faith, and the achievement of common development, not only will we accomplish a great deal in these areas, but we will also give a strong impetus to greater economic prosperity and stronger relations of friendship and good neighborliness. [applause]

Confucius, an ideologist during our country's ancient times, said that a person with ethics will have a partner without fail. Based on the Five Principles of Peaceful Coexistence between China and the ROK, I believe that if we put faith in the forefront and face each other sincerely, good neighborly friendship and reciprocal cooperative relations will be persistently developed and expanded, thus contributing to the welfare of the people of the two countries and contributing to peace and development of the Asia-Pacific region and the rest of the world.

Thank you. [applause]

Friendship Pact Does Not Mean Troop Dispatch

SK1411083995 Seoul YONHAP in English 0825 GMT 14 Nov 95

["China-N.Korea Treaty Does Not Mean Dispatch of Troops" — YONHAP headline]

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP) — China does not believe that the friendship treaty between Beijing and Pyongyang is a treaty on the dispatch of military forces, a Chinese Foreign Ministry spokesman said Tuesday.

Chinese Foreign Ministry Spokesman Chen Jian, speaking in a press conference at the Shilla Hotel, thus hinted that his nation may not stick to the treaty's article calling for one country to automatically involve itself in any military conflicts with the other.

"China supports independent and peaceful reunification of the Korean Peninsula," he added.

Serving as the Chinese delegation's official spokesman for President Jiang Zemin's state visit to Seoul, Chen said, "We have maintained good relationships with both Koreas and this is conducive to peace and stability on the Korean Peninsula."

He maintained that China does not have any "selfish" interest in dealing with issues involving the Korean Peninsula.

China provided 30 million yuan worth of assistance to North Korea last summer when the Stalinist state was hit by severe floods and will continue to supply additional assistance within the ability of the Chinese Government, he said.

On whether China has any intention of forming an alliance with South Korea in urging Japan to correct its view of its past history, Chen said, "China will pursue an independent policy (on the issue) and will not enter into an alliance with any country."

He stressed that Japan must try to have a correct view of its past history and take a path to peace and stability in order to develop desirable relations between China and Japan.

Trade Minister Meets PRC Economic Officials

SK1411064795 Seoul YONHAP in English 0642 GMT 14 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP) — The Minister of Trade, Industry and Energy Pak Chae-yun held a series of meetings Tuesday afternoon with Chinese economic ministers, who are accompanying their President Jiang Zemin on his five-day state visit here.

Speaking at the Shilla Hotel in downtown Seoul, Park and his Chinese counterpart, Foreign Trade and Economic Cooperation Minister Wu Yi, agreed to hold a trade ministers' talk in Beijing next year for the purpose of developing economic cooperative ties between the two countries.

The two ministers also agreed to conclude an export-import standard contract at an early date for the purpose of reducing trade disputes between business firms of the two countries.

In a meeting with Chinese State Economic and Trade Commission Minister Wang Zhonggyu, Park discussed ways to promote cooperation in joint development of medium-sized aircraft, construction of nuclear power plants, and manufacturing of high definition televisions, next-generation switchboards and automobile parts.

In discussing pending issues such as a final assembly plant and division of labor in aircraft production, both ministers agreed to convene the aircraft industry cooperation sub-committee sometime this month.

Meanwhile, Park and Chinese Chemical Industry Minister Gu Xiulian signed a cooperation accord in the chemical industry calling for expanded exchange in information and personnel, joint research and development, and setting up a task force to formulate and execute specific cooperation projects.

Japanese Premier Sends Apology to Kim Yong-sam

*SK1411101095 Seoul YONHAP in English
0957 GMT 14 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP) — Japanese Prime Minister Tomiichi Murayama on Tuesday sent a personal letter to South Korean President Kim Yong-sam to apologize for Japan's colonization of Korea in an effort to mend fences between the two countries regarding issues related to Japan's past colonial rule of Korea, a senior Foreign Ministry official said.

Murayama, however, fell short of admitting that the 1910 Korea- Japan colonization treaty was null and void from the start.

In the letter, which Japanese Ambassador Shintaro Yamashita conveyed to Foreign Minister Kong No-myong at the Foreign Ministry, Murayama admitted that the 1910 Korea-Japan Colonization Treaty was signed "on an unequal footing caused by the great gap of power between Korea and Japan which started to appear during the late 19th century," said Kim Ha-chung, director general of the Foreign Ministry's Asia Pacific Affairs Bureau.

"We have no doubt that the annexation treaty was signed during an era of imperialism which did not recognize self-determination and respect of peoples," the Japanese leader said.

Murayama again apologized for the "unbearable sufferings and sorrows" inflicted on the people of the Korean Peninsula by Japan's colonization of the peninsula, reminding a statement he released Aug. 15 to acknowledge Japan made wrong policies in colonizing Korea.

He also expressed his belief that future-oriented friendly bilateral relations could be established only when Japan could reflect on its past deeds in a serious manner.

On Japan's policy on North Korea, Murayama said that Japan will pursue improved relations with North Korea in harmony and parallel with improvement of inter-Korean relations.

Japan's economic cooperation with the North should be preceded by Japan's normalization of relations with North Korea, he said, adding that last summer's rice aid to the North by Japan was a kind of special and exceptional case.

The Foreign Ministry said that the letter was part of Murayama's efforts to mend worsening bilateral relations.

"The ministry understands that the letter showed Murayama's broad understanding of history," Kim said, adding that "we hope that no further history-distorting remarks will be made by Japan on the basis of his understanding of history shown in the letter."

Noting that the letter failed to comment on the legal status of the colonization treaty, Kim said that the Foreign Ministry will continue to make efforts to persuade Japan to reinterpret the 1965 Korea-Japan Basic Treaty on the legitimacy of the 1910 Korea-Japan Annexation Treaty.

Foreign Minister, Japanese Counterpart To Meet

*SK1411083295 Seoul YONHAP in English
0811 GMT 14 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP) — Foreign Minister Kong No-myong will meet with his Japanese counterpart Yohei Kono Wednesday to mend worsening bilateral relations after controversial remarks made by Japanese politicians on their country's past colonization of Korea, Foreign Ministry Spokesman So Tae-won announced Tuesday.

The meeting will be held on the sidelines of the Seventh Asia Pacific Economic Cooperation (APEC) ministerial meeting in Osaka, Japan, he said.

The source added that the Gong-Kono meeting will also address ways for bilateral cooperation in the APEC forum as well as pave the way for a smoother summit scheduled between President Kim Yong-sam and Japanese Prime Minister Tomiichi Murayama.

Expenses of North Delegates to Talks Questioned

SK1211064195 Seoul CHUNGANG ILBO in Korean 12 Nov 95 p 7

[Report by New York-based correspondent Yi Chang-kyu: "Luxurious Life of North Korean Delegates to Light-Water Reactor Talks in New York"]

[FBIS Translated Text] The light-water reactor negotiations between the Korean Peninsula Energy Development Organization [KEDO] and North Korea being held in New York are attracting the people's attention in every way. North Korea, impervious to reason, has often declared the rupture of negotiations. However, this time, North Korea has had quite a different disposition. The delegates have attended talks for over a month showing a sincere attitude. This, aside from the contents of the negotiations, indeed surprises the people.

We are mostly concerned about the source of the money used to cover the expenses needed for the long stay of about 10 North Korean delegates. When New York was designated as the venue of the second round of talks, following the Kuala Lumpur talks, North Korea officially asked KEDO to pay for the expenses of their stay and the airplane tickets, thus revealing their destitute situation.

As KEDO refused North Korea's demand for covering the expenses for its delegation, North Korea begged for the help of U.S. business firms that had shown interest in North Korea's atomic energy project. However, the U.S. State Department interfered and dissuaded them from helping the North Koreans. As a result, North Korea's plan failed.

This being the case, the North Korean delegates, including Ambassador Ho Chong, were forced to stay at the Raddison Hotel in New Jersey, paying only 70 dollars a day. They had to commute every day from the hotel to the venue of talks in Manhattan. However, after a few days, they all of a sudden moved to the nearby [as published] Hilton Hotel, and have stayed at this hotel up until now, thus greatly touching off the curiosity of the people. According to a hotel employee, Ambassador Ho Chong is staying in a "suite" and the delegates need not be inconvenienced by going out to eat since they have their meals at the hotel. Thus, one might assume that they are running a considerable tab.

On the other hand, members of the North Korean delegation, who went to New York to attend the UN General Assembly, stayed at the shabby quarters of the North Korean mission to the United Nations, instead of the New York Helmsley Hotel where they used to stay each year. Thus, the situation of delegates to light-water reactor talks is considered incomparably luxurious. Then, how on earth can the North Korean delegates, who even begged for airplane tickets earlier, cover the expenses for their long stay?

The most persuasive speculation is that pro-DPRK Korean residents in the United States are secretly supporting the North Korean delegates with the funds they need. However, an even more realistic speculation is that the owner of the Hilton Hotel in New Jersey, where they are staying, is Korean. Therefore, they eat and stay there free of charge.

Official Says North Exaggerated Flood Damages

SK1311050895 Seoul HANGUK ILBO in Korean 13 Nov 95 p 2

[FBIS Translated Text] A relevant government official stated on 12 November that "despite the enormous flood damages of last summer, North Korea will not immediately face severe food shortages and economic difficulty during the upcoming winter, but will likely maintain the same food level of regular years."

This official revealed that "North Korea's allegation that it suffered a loss of 1.9 million tonnes of grain — half of the entire yearly production — due to the floods last summer, was an exaggeration. The U.S. Central Intelligence Agency analyzed that the loss of grain, including corn, caused by the floods was about 5 percent and that of potato was approximately 20 percent."

North Said Pushing To Build More Complexes

SK1211024595 Seoul THE KOREA HERALD in English 12 Nov 95 p 2

[FBIS Transcribed Text] Brussels (YONHAP) — North Korea is pushing to build industrial complexes in Sinhung and Ungsong after establishing a free trade zone.

More than 200 survey teams from the United States, Japan and other nations have visited North Korea recently, showing growing foreign interest in North Korean investments.

The report was given by North Korean representative officials at a seminar in American [as published] on North Korean development projects, a Korea Trade Promotion Corp. official said.

They briefed investors on the Najin-Sonbong free trade zone through slides, introduced port expansion projects including a project of the new airport in Pupori, and explained the development plans of the Sinhung and Ungsong industrial zone.

One of the North Korean officials said more than 200 survey teams from the United States, Japan and other nations recently visited Pyongyang to look for investment prospects.

UN Envoy Interviewed on Security Council

SK1011032695 Seoul HANGUK ILBO in Korean 9 Nov 95 p 13

[Interview with Pak Su-kil, ambassador to the UN, by reporter Cho Chae-yong at UN Headquarters in New York on 8 November; first paragraph is introduction]

[FBIS Translated Text] Concerning the ROK's gaining of UN Security Council membership, Pak Su-kil, ROK ambassador to the UN, stated on 8 November that "the ROK's gaining of Security Council membership is a test of its diplomatic capability," and "will ultimately be beneficial to reunification of the Korean Peninsula."

[Cho] What is most significant about gaining council membership?

[Pak] First of all, we can say that the ROK has gained an international reputation. Also, it is very significant because the ROK will be able to directly participate in international discussions. I believe it will contribute to maintaining peace on the Korean Peninsula, and that furthermore it will serve as an occasion to hasten the reunification of the country.

[Cho] Are there any changes in the ROK position after gaining the security membership?

[Pak] We will contribute to promoting diplomatic diversification. To date we have carried out diplomatic activities centered on the United States and Japan. However, it is necessary for us to deviate from that policy. Also, a great change will take place in the ROK's right to speak, as well as in its position.

[Cho] What is your determination after gaining the council membership?

[Pak] This will serve as a good occasion to test the ROK's diplomatic capabilities, as well as to make the ROK prominent in the international community. We will deal with pending matters by fully studying them. Also, we will maintain a consistent position.

[Cho] Do you believe the ROK can deviate from U.S. influential circles in international matters?

[Pak] We cannot decide on matters in on our way if the United States is involved in them. Therefore, we expect difficulties. However, we cannot act in concert with the United States in all matters. That would not even be beneficial to the U.S. side. I once informed the U.S. side of this.

Dailies View UNSC Nonpermanent Member Seat

SK1011084895

[FBIS Editorial Report] Seoul vernacular dailies on 9 and 10 November carry editorials on the ROK's election as a nonpermanent member of the UN Security Council [UNSC] in a vote at the UN General Assembly in which 177 countries took part, with the ROK winning 156 votes, which exceeds a two-thirds majority.

On 9 November, SEOUL SINMUN, KYONGHYANG SINMUN, CHUNGANG ILBO, MAEIL KYONGJE SINMUN, and MUNHWA ILBO each carry editorials regarding this.

The pro-government SEOUL SINMUN carries on page 3 a 600-word editorial entitled "The ROK's Advance to the UNSC." The editorial welcomes the ROK's admittance to the UNSC, saying "this established another milestone in the history of the ROK's diplomacy." The editorial states the ROK's admittance to the UNSC has special significance in that it was achieved only four years after the ROK joined the United Nations. The editorial notes the ROK's diplomatic arena is now the United Nations, and that "the ROK is expected to become the bridge linking Western advanced countries with the Third World." The editorial concludes by saying "the ROK diplomacy's greatest task is to unfold the Korean peninsula's reunification diplomacy through the United Nations." In addition: "The ROK's admittance to the UNSC is the best opportunity to expand the horizon of the ROK's diplomacy as well as strengthen its diplomatic might."

KYONGHYANG SINMUN carries on page 3 a 700-word editorial entitled "Tasks To Fulfill After Admittance to the UNSC." The editorial talks about the importance of the role of the UNSC's nonpermanent members in international affairs, stating the ROK's admittance to the UNSC at this time has "secured a very important diplomatic position." It notes that being able to conduct activities with the permanent member countries will provide an opportunity to make Korea's security environment all the more stable. The editorial notes the need to dispatch more competent Koreans to various organizations under the United Nations so they can actively deal with international affairs. It concludes by urging government- related officials, including the Foreign Ministry, to make strenuous efforts so that this will become an opportunity to "secure the country's interests and contribute to world peace."

CHUNGANG ILBO carries on page 4 a 600-word editorial entitled "The UNSC Diplomacy's Horizon Should Be Expanded." The editorial states the ROK's admittance to the UNSC has become an opportunity to open a new horizon in the ROK's diplomacy, and can contribute to abandoning the narrow view of diplomacy centered around the Korean peninsula region. The editorial adds state that the ROK should not be satisfied with admittance to the UNSC itself, but should ponder how to enhance its status. It notes the ROK should show interest not only in the Korean peninsula, but also in international peace- keeping activities, human rights assisting poverty-stricken countries, and environmental issues. The editorial concludes by noting that competent figures, not political figures, must be selected to send to the UNSC.

MAEIL KYONGJE SINMUN carries on page 3 an 800-word editorial entitled "The Political Capability of a Member Country of the UNSC." The editorial notes that to fulfill various tasks as a nonpermanent member of the UNSC, the government must deal with various issues in "an organized and planned manner, and in particular, there must be active publicity to win the people's understanding and cooperation."

MUNHWA ILBO carries on page 3 an 800-word editorial entitled "The ROK's Admittance to the UNSC." The editorial notes that due to the ROK's admittance to the UNSC, "it is certain the ROK's position will be strengthened within UN diplomacy."

On 10 November, CHOSON ILBO, HANGUK ILBO, and TONG-A ILBO each carry editorials regarding this.

CHOSON ILBO carries on page 3 an 800-word editorial entitled "The ROK's Admittance to the UNSC." The editorial notes the ROK's admittance to the UNSC is an opportunity "to expand the horizon of the ROK's diplomacy." It also notes that the ROK should make the best of this opportunity and pursue not only the ROK's interests, but also contribute to creating a peaceful international order. The editorial concludes by saying if the ROK magnificently fulfills its role as a nonpermanent member, it will be of great help in solving the division of the Korean peninsula.

HANGUK ILBO carries on page 3 an 800-word editorial entitled "The Significance of Admittance to the UNSC." The editorial welcomes the ROK's admittance to the UNSC, stating this will help the ROK's security situation. It also notes the ROK's participation in the UNSC will help in holding back North Korean aggression. The editorial concludes by stating this is a new challenge to the ROK, and that its responsibility is now much greater.

TONG-A ILBO carries on page 3 an 800-word editorial entitled "A Great Step in Being Admitted to the UNSC." The editorial begins by saying the ROK's status in international society has been enhanced due to its admittance to the UNSC, but now Seoul is also burdened with having to pay a greater share of expenses. The editorial notes the need to reorganize the framework of the ROK's diplomacy and to secure professionals so that work in the UNSC can be effectively conducted. The editorial concludes by saying this should be regarded as a new start in the ROK's diplomacy.

France Agrees To Extend Military Support

SK1211004495 Seoul THE KOREA TIMES in English 12 Nov 95 p 3

[FBIS Transcribed Text] France agreed with South Korea to extend military logistic support to it in time of war during a defense procurement and logistics meeting in Seoul last week, the Defense Ministry said yesterday.

In anticipation of more French-made weapons being imported in the future, Korea requested a memorandum of understanding (MOU) that the French government vouch for the reasonableness of the prices of the military goods Korea purchases from French companies on a commercial basis. The French side promised to favorably consider that request.

The two countries also saw eye to eye on the exchange of military scientists, something the Korean side had been eager to promote to develop its defense research capabilities.

A ministry official said that the French side showed keen interest in such key military buildup programs as the C4I field telecommunications systems project.

Ministry Investigates Alleged Canadian Spying

SK1411093295 Seoul YONHAP in English 0840 GMT 14 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP) — The Foreign Ministry announced Tuesday that it has launched an investigation into the allegation that an ex-employee of a Canadian Security Electronic Espionage Agency spied on South Korea to gather information on economy, defense and security.

"We are trying to confirm, through diplomatic channels, the reports that Canada's Communications Security Establishment (CSE) has eavesdropped since 1991 on communications between the South Korean Embassy in Canada and the Foreign Ministry in Seoul," a Foreign Ministry spokesman said, adding that his ministry will take appropriate measures when it finishes investigating into the alleged eavesdropping case.

Jane Shorten, 38, who worked for CSE as an analyst from 1986 to 1994, said Sunday on a television news broadcast that she was involved in a project code-named Aquarian to gather information on economy, defense and security on South Korea by eavesdropping communications between South Korean Embassy in Ottawa and Seoul's Foreign Ministry.

Canada Files Complaint on Water Import Curbs

SK1011063295 Seoul YONHAP in English 0449 GMT 10 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 10 (YONHAP) — Canada has filed a complaint Friday with South Korea demanding that Seoul lift its ban on imports of Canadian natural mineral water treated with ozone and extend the shelf-life of bottled water, a Foreign Ministry spokesman said.

Filed under the framework of the World Trade Organization (WTO) dispute settlement procedures and with the Foreign Ministry through South Korea's permanent representative to the United Nations office in Geneva, the spokesman said that Canada insists that South Korea violated WTO regulations by restricting imports of ozone-treated natural mineral water and setting the shelf-life of natural mineral water at six months.

Canada claims that those factors run counter to international practices, effectively thwarting efforts by Canadian bottled water producers to gain access to the Korean market.

Under the procedures of the WTO dispute settlement understanding (DSU), South Korea is scheduled to start negotiations with Canada within 30 days after receiving the complaint with bilateral negotiations lasting up to 60 days before setting up a dispute settlement panel.

So far, no Canadian bottled water producers have put their products in the Korean market and France's Evian and some other foreign bottled water brands with no ozone treatment are currently sold in Korea under the shelf-life limit of six months.

The average time limit of natural mineral water on shelves is two years in foreign countries and the South Korean Government limits the shelf-life of bottled water to dispel any distrust among its citizens about the quality of the Korean water supply.

Italy's Fiat Begins Marketing Cars

SK1011045595 Seoul THE KOREA HERALD in English 10 Nov 95 p 8

[FBIS Transcribed Text] Italia Motors Corp., the importer of Italy's Fiat automobiles in Korea, has started marketing four models of Fiat Auto SPA in the domestic market.

Italia Motors, set up in May this year as a subsidiary of the Hanbo Business Group, introduced four Fiat models into Korea Wednesday. They are Coupe Fiat 2.0 turbo, Lancia K 3.0 and 2.0 and Punto Cabrio 1.6 ELX.

Kim Yong-sam Departs for Presidential Resort

SK1011100595 Seoul YONHAP in English 0855 GMT 10 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 10 (YONHAP) — President Kim Yong-sam on Friday afternoon left for the presidential resort of Chongnamdae in central area of the country to spend the weekend there.

President Kim and First Lady Son Myong-sun are scheduled to return to Seoul on Monday [13 November], informed Chongwadae [presidential offices] sources said. Kim had stayed three days at the presidential resort located in North Chungchong Province last weekend.

During his stay at Chongnamdae, observers predicted, Kim will contact people from various walks of life to collect public opinions and will also map out, in detail, ideas on how his government would cope with the present nation-rocking slush fund scandal involving former President No Tae-u.

However, Presidential Spokesman Yun Yo-chun did not attach special significance to the president's provincial trip, saying, "The trip is designed to prepare for the state visit to South Korea by Chinese President Jiang Zemin next week and his scheduled trip to Osaka, Japan, to attend the summit meeting of the Asia-Pacific Economic Cooperation (APEC)."

Kim's Trip to Presidential Retreat Analyzed

SK1111035595 Seoul THE KOREA HERALD in English 11 Nov 95 pp 1, 4

[Article by staff reporter Chon Si-yong]

[FBIS Transcribed Text] Is President Kim Yong-sam just slowing down? Or is he seeking a place of serenity to rack his brains for ideas on how to get out of the No Tae-u slush fund scandal?

Kim's second consecutive weekend trip to the presidential retreat in North Chungchong Province yesterday is raising these questions.

Kim, who for the first time broke his habit of staying at Chongwadae [presidential offices] on weekends last week, left for Chongnamdae, a presidential villa in North Chungchong Province, yesterday afternoon.

The announcement of Kim's weekend trip came as a sort of surprise to the Chongwadae press corps not only because the President was going to Chongnamdae for the second weekend in a row, but also because he is taking off Saturday, half of which is still normal work hours in South Korea.

Kim, who spent two nights at Chongnamdae last week, will have one more night there this time, officials said.

Senior Chongwadae officials, as they did last week, tried to play down Kim's weekend retreat, and the length of his stay at Chongnamdae.

"Do not place any significance on it," presidential spokesman Yun Yo-chun said, adding that it is part of Chongwadae's efforts to have the President rest from his hectic work schedule.

Chongwadae officials advised Kim to leave yesterday afternoon because the President had no official schedule on Saturday morning, Yun said.

"I believe that from now on the President will spend weekends at Chongnamdae frequently," the spokesman said.

Whether or not Kim's weekend trip to Chongnamdae is related to presidential officials' efforts to provide the President with respites, an overscheduled President Kim has in fact been a subject of discussions at Chongwadae recently.

Chief of Staff Han Sung-su said as recently as Thursday that the President, whether at home or abroad, is overscheduled, and that he and other senior presidential secretaries had been trying to address the problem.

"The President needs to slow down a little," Han said.

Does this then mean an official change in the work style of President Kim, who had until recently said often that he was doing his job as president "with might and main" and "from dawn to dusk?"

According to Yun, the Chongwadae spokesman, the answer is "yes." "Few presidents in the world have as many as seven events on his official schedule a day," Yun said.

But Yun and other senior Chongwadae officials appeared to worry about possible negative public reaction to the abrupt reduction in presidential activities and his weekend trip to Chongnamdae which is longer than that of any ordinary Korean weekend holidaymakers.

"Wherever the President is, he will still be in the presidential office," Yun said, elaborating the flawless communications system linking Chongwadae and the presidential retreat.

He also said that President Kim will spend the weekend at Chongnamdae preparing himself for the upcoming summit talks with Chinese President Jiang Zemin and the APEC (Asia-Pacific Cooperation) summit.

"It is my understanding that the President will carry a heavy volume of documents on the summit meetings," Yun said.

Then is it impossible for the President to work on the forthcoming summit diplomacy at Chongwadae?

"The President, without being bothered by Chongwadae's routine work such as getting reports from presidential secretaries, will be able to better concentrate on his work at Chongnamdae," Yun said.

For all the Chongwadae officials' justification of the need to give the President rest and a chance to refresh himself in the provincial villa, Kim's two consecutive weekend trips to Chongnamdae is raising a variety of speculations in relation to the ongoing probe into the massive slush fund operated by former President No.

Almost all the senior aides to Kim assert that Kim's weekend stay at Chongnamdae has nothing to do with the No scandal, which has been gripping the nation and plaguing the Kim presidency itself over the past three weeks.

But there is constant speculation that Kim's unprecedented weekend trips to Chongnamdae, coupled with his recent silence on the No scandal, may be a prelude to a major political decision to be made by the President.

Observers said that President Kim, facing the worst political crisis since he took office, needs to work out a set of decisions to put a "gracious" end to the snowballing scandal.

Kim first has to decide whether or not to imprison No and how to cope with the opposition charges that he was lying when he said he did not receive money from his predecessor and former ally.

President Kim also has to gauge the political fallouts of the scandal and draw up new strategies for the parliamentary elections next April, the observers said.

Other analysts said that Kim's weekend stay at Chongnamdae may be partly associated with his government's efforts to distance Chongwadae from the prosecution probe into the No case.

As if to assure the Korean public of the prosecution's "independence from political power," Kim and his top aides repeatedly said that Chongwadae is not receiving even day-to-day reports on the investigation.

Kim may have thought that by staying out of Chongwadae at a time when the probe is getting into high gear, he can send a message to the public that he is keeping good on the promise of leaving the case into the hands of prosecutors, the analysts said.

Leader Urges Kim Tae-chung To Leave Politics

SK1311044995 Seoul YONHAP in English
0430 GMT 13 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 13 (YONHAP) — A senior ruling party official reiterated Monday his call for opposition leader Kim Tae-chung to leave politics on "ethical" grounds.

Democratic Liberal Party [DLP] Secretary-general Kang Sam-chae had initially made his request over the weekend, alleging that rumors had it that Kim had received more than the 2 billion won that he had originally confessed to receiving from former President No Tae-u in return for various under-the-table political deals.

Kang declared that "brazen-hearted and immoral political behaviorism in which one pretends to be honorable while communicating secretly with the (political) foe must be put to an end for the sake of the future of Korean politics."

The ruling camp should use the slush fund scandal involving No "as an opportunity to put a period to the old-fashioned politics," Kang said.

Predicting an intense offensive against the major opposition National Congress for New Politics (NCNP) and its leader Kim, Kang disclosed, "at the plenary National Assembly session Thursday, our party lawmakers will speak out what they have thus far refrained from uttering against the NCNP offensives."

Referring to a possible probe of politicians in connection with the No case, Kang said, "the ongoing prosecution investigation is not being conducted to hurt anyone, but should some turn out to be implicated as the result of the investigation, they will be dealt with in accordance with principles without leaving any sanctuary."

Asked if senior members of the ruling and opposition parties will be subjected to the probe, Kang indicated that few would be probed, responding, "Who else have led our politics other than the two Kims (Kim Tae-chung and Kim Chong-pil)?"

Party To Counter Attempts Against Kim Tae-chung

SK1311021495 Seoul YONHAP in English
0142 GMT 13 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 13 (YONHAP) — The main opposition party, the National Congress for New Politics (NCNP), decided Monday to strongly cope with the ruling camp's possible attempt to "politically kill" its leader, Kim Tae-chung, by taking advantage of the slush money scandal involving former President No Tae-u.

The NCNP plans to fully activate its youth organization from Tuesday and openly call for the ruling camp to reveal details of President Kim Yong-sam's election campaign expenses in 1992 in inauguration rallies of its district chapters to be held beginning Thursday.

Pak Chi-won, NCNP spokesman, said, "The current political turmoil caused by the slush fund scandal could be solved more simply only if the government legally deals with No and the ruling party discloses the election campaign funds of President Kim Yong-sam."

Pak urged Rep. Kang Sam-chae, secretary general of the ruling Democratic Liberal Party (DLP), to present evidence, if any, to support his allegation that the NCNP president received more than the 2 billion won Kim had already admitted receiving.

"If the ruling camp rejects our demands and continues to scheme against NCNP President Kim, we will strongly struggle against such an attempt," warned Pak, adding, "President Kim Yong-sam will face defeat and humiliation as a result of our struggle."

Meanwhile, the NCNP held a senior party officials meeting Monday morning and decided to sue Rep. Kang for libel for his statements made Saturday that calls for Kim Tae-chung to disclose any other secret political funds that the NCNP president accepted from No or other sources in addition to the 2 billion won.

No Tae-u Allegedly To Reveal Details on Funds

SK1411005195 Seoul YONHAP in English
0036 GMT 14 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP) — Former President No Tae-u will reveal the amount of political funds he gave the ruling and opposition parties while in office in a second round of questioning at the prosecution, a close aide to No said Monday.

No's former Chief Secretary Chong Hae-chang said, "No will reveal the details of political funds he handed to the political parties as far as he can remember."

This represents a switch in attitude on the part of the former head of state, whose relatives are being investigated by the prosecution in connection with his slush fund scandal.

The ex-president has thus far refused to disclose the details of political funds he gave for the 1992 presidential election campaigns, saying, "There are some areas that I cannot reveal for the sake of the nation's future."

The campaign funds No allegedly gave ruling and opposition candidates during the 1992 presidential elections have been the hottest issue of contention, with opposition leader Kim Tae-chung having admitted to have received 2 billion won for his unsuccessful presidential bid. However, the incumbent President Kim has denied that he received any funds directly from No.

Referring to No's secession from the Democratic Liberal Party and the establishment of a neutral cabinet prior to the 1992 presidential election, Chong said, "President Kim Yong-sam was in favor of those moves at that time... Kim's remarks that No bolted from the ruling party to check him from being elected is not true."

Party Urges Early End to Scandal Investigation

SK1011040095 Seoul THE KOREA TIMES in English 10 Nov 95 p 2

[FBIS Transcribed Text] The main opposition National Congress for new Politics (NCNP) and the splinter United Liberal Democrats (ULD) yesterday called for an early end to the prosecution investigation of the No Tae-u slush fund scandal, citing its adverse effects on the national economy and prolonged political stalemate.

NCNP spokesman Pak Chi-won said in a statement that his party eagerly hopes that President Kim Yong-sam will exert every effort to see to it that the investigation is wrapped up at an early date after disclosing how he funded his campaign during the 1992 president election.

It is the first time the largest opposition party led by Kim Tae- chung expressed hope that the administration will close the case at an early date.

Pak, however, said, "What I mean is that our party will not agree to closing the case unless President Kim reveals the facts about his 1992 presidential campaign funding."

Kim Chong-pil, president of the conservative ULD who is rumored to have stashed away a 10 billion won slush fund, also called for an early end to the investigation yesterday.

"This case should not be prolonged as the snowballing scandal has fanned social unrest and adversely affected economic stability," Kim said.

"The political circle should take the initiative in resolving the case with a future-oriented attitude. We (the political circle) should reflect on ourselves and make an apology, if need be, in connection with this case," Kim said.

The ruling Democratic Liberal Party, meanwhile, maintains a wait- and-see attitude, saying that now is not the time to talk about something which can be construed as a political solution to the scandal.

"Now that the prosecution is conducting a strict probe into the case, it is inappropriate to give the people the impression that the political circle is seeking a political solution," DLP spokesman Son Hak-kyu said.

Son said, "What is important now is to clear the people's suspicions about No's slush funds, not an attempt to devise a political solution to the case."

Political analysts, however, did not interpret Son's remarks as the ruling camp's permanent position.

"When the time comes, the ruling camp will accept the opposition overture. This is because a prolonged slush fund probe will also be burdensome to them as well," a DLP insider said.

He said the prolonged prosecution probe into No's slush funds may pose the possible danger of wreaking havoc on all political parties and their leaders, including Kim Tae-chung, who confessed to having received 2 billion won from No before the 1992 presidential election, Kim Chong-pil and President Kim.

No Scandal Said Causing Large Money Shifts

SK1011043795 Seoul THE KOREA HERALD in English 10 Nov 95 pp 1, 8

[FBIS Transcribed Text] Former President No Tae-u's slush fund scandal is causing the withdrawal of funds from such financial instruments as cash management accounts (CMAs), corporation money trusts and development trust accounts, considered to be the most suitable hideouts for ill-gotten money.

The prosecution's initial probes found that much of No's secret funds were deposited in the three financial products under borrowed names.

Besides the three financial instruments, financial experts have cited negotiable certificates of deposit (CDs), long-term bonds and money trust as the most effective and safest financial products to conceal large amounts of secret funds.

According to the Bank of Korea (BOK), there have been some signs of fund shifts from CMAs, corporation money trusts and development trust accounts since Oct. 19 when the scandal broke out and the withdrawal pace is gaining momentum this month.

Earlier investigations showed that 24.8 billion won of No's secret funds was deposited in borrowed-name CMAs of Dong-A Investment & Finance Co. Another 43.5 billion won of No's slush money was deposited in four corporation money trust accounts of Shinhan Bank's Sosomun Branch under borrowed names.

The prosecution also found that 25.2 billion won of No's slush funds was deposited at Shinhan Bank's headquarters under borrowed-name development trust accounts.

As of Nov. 6, total deposits of CMAs stood at 8.172 trillion won on an outstanding basis, showing a decline of 201.9 billion won from the end of October this year.

The deposits of CMAs have surged before the revelation of the scandal.

The deposits of the instrument amounted to 8.59 trillion won on an outstanding basis as of Oct. 20. The figure was up 51.8 percent from the end of 1994 and up 514.4 billion won from the end of September this year, representing the growing importance of CMA at domestic investment & finance companies.

As of Nov. 6, total deposits of corporation money trust of commercial banks amounted to 7.498 trillion won on an outstanding basis, down 33.9 billion won from the end of October this year, the central bank said.

Commercial banks' corporation money trust stood at 7.77 trillion won as of the end of September this year. Hanil Bank topped other banks with 782.8 billion won, followed by Korea First Bank with 626.4 billion won, Cho Hung Bank with 584.2 billion won and Commercial Bank of Korea with 515.9 billion won.

In the first six days of the month, 86.5 billion won worth of deposits in development trust accounts were withdrawn with their outstanding deposits standing at 34.67 trillion won as of Nov. 6.

CDs, however, saw their outstanding deposits grow about 300 billion won in the first six days of the month. The outstanding deposits of CDs stood at 21.8 trillion won as of Nov. 6.

No was found to have used CDs as a means of laundering his secret funds.

The financial circles are voicing fears the exodus of large funds deposited under false- or borrowed-name accounts could be accelerated.

The central bank, however, sees the current fund shift in a different way.

"The fund exodus is mostly attributable to investment & finance firms' poor marketing activities of CMAs and the weakened interest competitiveness of corporation money trust compared with government and public bonds and corporate bonds," said a BOK official, adding that it has nothing to do with the ongoing secret fund scandal.

Prosecution Studies Documents on Swiss Trip

SK1011052495 Seoul THE KOREA HERALD in English 10 Nov 95 p 3

[FBIS Transcribed Text] The prosecution is scrutinizing documents handed over by the Foreign Ministry on an unofficial visit to Switzerland in 1989 by former President No Tae-u who is suspected of having stashed part of the slush fund which he raised during his term of office in Swiss banks.

Included in the documents are the names of those who accompanied No on his visit to Switzerland and No's itinerary in the European country, prosecution sources said yesterday.

After scrutinizing the documents, the prosecution plans to summon some of those who accompanied No on his visit to Switzerland for questioning on what they did in Switzerland.

They included Yi Tae-chin who is said to have played a key role in managing the slush funds No amassed. Yi will be summoned again sooner or later, the sources said.

Yi, 49, an accountant manager of the Presidential Security Service under the No government, is also suspected of having been involved in the smuggling by No's daughter of about $200,000 into the United States in 1989. The junior No was indicted by the U.S. prosecution on charges of smuggling the money in March 1993.

Some reports say that the money came from Swiss bank accounts allegedly opened in the names of No or his relatives and family members.

The reports are backed up by the facts that No's trip to Switzerland in November 1989 was hastily added to the itinerary of No's official visit to some foreign nations right before his departure, after which he met his daughter upon arrival in Seattle, the United States, after visiting Switzerland.

In addition, the prosecution plans to summon again Yi Hyon-u, chief of the Presidential Security Service under the No government, the sources said.

Seoul Yet To Ask for Cooperation Over No's Fund

SK1111010695 Seoul TONG-A ILBO in Korean 10 Nov 95 p 2

[Report by Pang Hyong-nam from Bern, Switzerland]

[FBIS Translated Text] On 9 November, the Swiss Government confirmed that the ROK Government has not filed any formal request for cooperation in relation to former President No Tae-u's secret bank accounts in Swiss banks.

Polco Gali [name as transliterated], spokesman for the police agency under the Swiss Justice Ministry which first examines foreign countries' request for judicial cooperation, revealed: "Even though we heard that the ROK Government will forward a list of 21 No relatives for the use in finding out possible deposits into accounts opened under their names at Swiss banks, we have not received any request for cooperation from the ROK Government nor have we contacted officials of the ROK Government in this regard."

Prosecution Summons Four More Business Leaders

SK1011063195 Seoul YONHAP in English
0244 GMT 10 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 10 (YONHAP) — The supreme public prosecutors' office summoned four more business tycoons Friday morning to question them on their suspected contributions to former President No Tae-u's "secret funds."

The four businessmen are Cho Chung-hun, Hanjin Group chairman, So Sung-hwan, Pacific Group chairman, Kim Yong-san, Kuk-tong Group chairman, and Kim Sang-ha, chairman of Samyang Co.

Two others — Kim Chun-ki, chairman of the Dongbu Group, and Kim Sung-yun, Hanhwa Group chairman — are to be summoned for similar questioning later that day.

"We will have questioned more than 30 businessmen by this weekend," a prosecutor said, adding, "we may summon more next week and call No to show up here again to take steps for legal proceedings against him."

The prosecution asked the tycoons if they gave contributions to No in order to win contracts for government-financed projects including the Korea Fighter Program (KFP), the Seoul-Pusan high- speed railway and nuclear power plant projects.

Meanwhile, the prosecution finished interrogating Hyosung Group Chairman Cho Sok-nae, Hyundai Group Honorary Chairman Chong Chu- yong, Doosan Group Chairman Pak Yong-kon and Kohap Group Chairman Chang Chi-hyok on Thursday afternoon, and on early morning Friday, released former chairman of Ssangyong Group Kim Sok-won and Kolon Group Chairman Yi Tong-chan from questioning.

Prosecution To Summon 5 More Business Leaders

SK1011095895 Seoul YONHAP in English
0910 GMT 10 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 10 (YONHAP) — The prosecution said Friday that the heads of five more business conglomerates will be summoned on Saturday morning for questioning about their roles in the slush fund scandal involving ex-President No Tae-u.

They are Chae Chong-hyon of Sunkyong, Kim Son-hong of Kia, Pak Yong-hak of Dainong, Pak Song-yang of Kumho, and Cho Nam-uk of Sambu.

Accordingly, the number of business leaders who had already been summoned or are to be summoned totaled 29 as of Friday afternoon.

A prosecutor said that Daewoo's Kim U-chung and Lotte's Sin Kyok- ho, who are now on overseas trips, told the prosecution that they will return home on Sunday or Monday to appear for questioning.

The business tycoons will be thoroughly interrogated on details of their alleged contributions to No's secret fund, the prosecutor said.

The investigators will make in-depth probes of Sunkyong Chairman Chae to find out how his business group was able to finance the purchase of Pacific Securities in January 1992 when Sunkyong was subject to a government-imposed limit on the amount of loans that the group could take out, the prosecutor noted.

Top Businessmen Expected To Be Formally Charged

SK1111035995 Seoul THE KOREA HERALD in English 11 Nov 95 p 1

[FBIS Transcribed Text] About 10 top businessmen are expected to be formally charged with offering kickbacks to former President No Tae-u in connection with major state projects, prosecution sources said yesterday.

The prosecution will likely arrest one or two of them, while indicting the rest without physical detention, they said.

They said the prosecution has secured evidence that the business leaders had offered up to 30 billion won to No, adding that it was believed to have been linked to government contracts such as the arms procurement and high-speed railroad programs.

Meanwhile, six more heads of conglomerates were called in to the prosecution yesterday, bringing the total number of businessmen questioned with regard to No's slush fund to more than 20.

Those questioned during the day were Cho Chung-hun, chairman of Hanjin Group which owns Korean Air, and heads of five other conglomerates — Hanhwa's Kim Sung-yon, Pacific Chemical's So Sung-hwan, Kukdong's Kim Yong-san, Dongbu's Kim Chun-ki and Samyang's Kim Sang-ha.

The industrialists were grilled on when and how they contributed to the 500 billion won slush fund No has admitted to raising during his 1988-93 term.

The prosecution told five business magnates to appear for questioning today. They are Sunkyong's Choe Chong-hyon, who is a relative by marriage of No, Kia's Kim Son-hong, Daenong's Pak Yong- hak, Sambu Construction's Cho Nam-uk and Kumho's Pak Song-yang.

The sources said the prosecution is also considering criminal proceedings against lawmaker Kum Chin-ho, who is suspected of having helped No hide some of his slush fund in borrowed-name bank accounts.

Kum may be summoned again next week, they said. An in-law of No, he was questioned by prosecutors early this week.

There have been allegations that Kum, a former trade minister with extensive influence over business circles, also arranged kickbacks from businessmen to No.

Another in-law of No, Sin Myong-su, owner of Dongbang Corp., was released from 48 hours of grilling yesterday morning. He was questioned on real estate holdings thought to have been bought in the group's name for No with money from the slush fund.

Sin's daughter married No's son, Chae-hun, who earlier this year joined the ruling Democratic Liberal Party with an eye to the National Assembly elections scheduled for next April.

The ongoing questioning of business tycoons is expected to be completed next week, said senior prosecutor An Kang-min, who heads the investigation.

He also said his investigative team will also look into the allegation that part of No's slush money was funneled into ruling and opposition candidates during the 1992 presidential election.

No's financial support of big-name politicians, including President Kim Yong-sam and opposition leader Kim Tae-chung, is currently a hot issue of contention in the political circle.

Some prosecutors hinted that No may be summoned again this month after the completion of the probe of businessmen. They did not rule out the possibility that the second summons will lead to the initiation of criminal proceedings.

When brought into the prosecution Nov. 1, he rejected bribery charges and did not name the businessmen who had given money to him.

DLP, NCNP Seeking End to 'Mudslinging'

SK1011100095 Seoul YONHAP in English
0846 GMT 10 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 10 (YONHAP) — The ruling Democratic Liberal Party (DLP) and its opposition National Congress for New Politics (NCNP) appeared Friday to be seeking to end the mudslinging over the slush fund scandal involving former President No Tae-u and settle the political turmoil caused by the scandal.

Observers said the two parties, through behind-the-scenes contacts, have agreed that continuing muckraking against each other, in light of increasing public distrust of politics, would do neither side any good.

Close aides of NCNP President Kim Tae-chung reportedly made indirect, behind-the-scenes contact with DLP Secretary-General Kang Sam-chae and offered a "cease-fire" following Kang's revelation Thursday of "rumors" that Kim received money from No in 1988 in return for standing by idly while No was making amends for the wrongdoings of the Fifth Republic and its president, Chon Tu-hwan.

Kim Tae-chung said in a meeting with NCNP Leadership Committee Chairman Kim Sang-hyon and Spokesman Pak Chae-won Friday morning that the political problems arising from the No scandal should be solved by politicians themselves or in the parliament, adding that only through such a solution could the nation be prevented from plunging into political unrest.

Concerned that the tension caused by both parties' mudslinging over the No scandal will make the people feel uneasy about the nation's political future, Kim Tae-chung instructed his party's fact-finding committee on the Sixth Republic's scandals and President Kim Yong-sam's 1992 election campaign fund to suspend its plan to publish an extra edition of the NCNP Gazette, according to Pak.

Pak said only if Kim Yong-sam publicly reveals the amount of money that he received from No during the 1992 presidential election and if the incumbent president can provide hard evidence that Kim Tae-chung accepted more than the 2 billion won figure that was admitted by the NCNP head, the political turmoil from the scandal could then be settled.

Another aide gave significance to Kim Tae-chung's call for the need to settle political problems inside the political bloc.

"He is anxious to relieve the people of an uneasy feeling about politics by achieving political stability," the aide explained, adding that Kim's suggestion has provided the ruling camp with "a clue to breaking the political deadlock."

He dropped a hint that there had been behind-the-scenes contacts with the DLP, saying, "I understand that some people in our camp have lodged protest with the DLP secretary-general."

The DLP welcomed the opposition party's cease-fire overtures, with Kang commenting, "It is quite natural that the NCNP takes a position that the secret fund issues should be addressed inside the political bloc and the parliament."

The truth of the scandal will be brought to light through the prosecution's investigation, Kang stressed. But he warned that the ruling party would repulse any attempt to "politicize" the secret fund issues.

Kang, however, hinted at his party's intention to put up with a thorough probe into the scandal, saying, "If the prosecution's investigation fails to clear up all the suspicions, the parliament may be called to take a look into it."

Admitting that he had received telephone calls from many NCNP lawmakers Thursday night, Kang declared, "I made it clear to them that if they (NCNP members) continue muckraking us, we will not sit by idly."

Representative Claims No Raised 1.65 Trillion Won

SK1111112295 Seoul YONHAP in English
1039 GMT 11 Nov 95

[FBIS Transcribed Text] Chonju, North Cholla Province, Nov. 11 (YONHAP) — Rep. Pak Kye-tong of the opposition Democratic Party claimed Saturday that former president No Tae-u is suspected of having raised secret funds totaling 1.65 trillion won (2.14 billion U.S. dollars) in connection with various government-funded projects and new businesses started during his presidency.

Speaking at a meeting of his party held in a high school's auditorium here, Pak asserted that the former president created 1.65 trillion won in a political slush fund, in addition to the 400-billion-won secret fund whose existence he revealed late last month.

No collected 420 billion won from the 14-trillion-won military modernization program called Yulgok, 200 billion won from the nuclear power plant project, 200 billion won from the new international airport project on Yongjong Island off Inchon, 200 billion won from the Seoul-Pusan high-speech railway project, 500 billion won from the Donghwa Bank and four other new banks established during his presidency and 139 billion from new golf links licensed by his government, according to him.

Party To Question Politicians on 'Scandal'

SK1111041995 Seoul YONHAP in English
0304 GMT 11 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 11 (YONHAP) — Heightening fears that political circles in Korea will plunge into unprecedented turmoil, the ruling camp plans to launch sweeping investigations of those politicians suspected of having either received any part of ex-President No Tae-u's secret fund or having raised political funds in other illegal manners.

A Democratic Liberal Party (DLP) source said Saturday that plans to investigate the roles of politicians in the No scandal surfaced after the on-going questioning of leading businessmen in connection with the secret fund by the prosecution. The probe showed that No's fund had flowed into the pockets of many politicians from both the ruling and opposition parties alike.

Another factor behind the decision was the belief that the practice of "extortion" by politicians has reached a point where it cannot be left unchecked any longer.

"The current incident of No's secret fund should be used as an occasion to put an end to the old-fashioned political practice once and for all," said Rep. Kang Sam-chae, DLP secretary-general.

Stressing that such practices should be terminated through investigations, Kang said he hopes the prosecution will carry on their current probe in this direction.

"Don't you think those who should go must be finished through the current incident?" Kang asked.

However, he said that it is not hard to assume that such politicians in questions could include the so-called "two Kims" — Kim Tae-chung, president of the opposition National Congress for New Politics (NCNP), and Kim Chong-pil, president of the United Liberal Democrats. President Kim Yong-sam has called for the need to promote a generational change in Korean politics.

The DLP secretary-general also categorically rejected the idea offered by Kim Tae-chung for the settlement of the No fund incident through negotiations within the political world.

"The incident can by no means be subject to any political negotiations," Kang said.

He said that if an outcome of the on-going prosecution probe is unsatisfactory, then a parliamentary right can be invoked to look into the case, adding, "there cannot be any backstage political dealing at this stage when the prosecution probe is going on."

Kang used the occasion, as he has on many other occasions, to unleash an attack on Kim Tae-chung in the wake of escalating mudslinging between the rival camps.

The DLP secretary-general requested that Kim should clarify the rumors that allege he received money during past campaigns for the liquidation of wrongdoings perpetrated under the Chon Tu-hwan administration and also for a mid-term judgement of the performance of the No administration.

"Just as he confessed in Beijing to having received 2 billion won from No, Mr. Kim should confess about other funds he received as well," Kang said.

Dailies Reject Political Solution to Scandal

SK1111111495

[FBIS Editorial Report] The following is a compilation of editorials carried by the 11 November Seoul vernacular dailies rejecting the idea of a political solution to former President No Tae-u's secret fund scandal.

The conservative CHOSON ILBO carries on page 3 an 800-word editorial entitled "Political Solution." Rejecting the idea of a political solution to former President No's secret fund scandal, the editorial states: "Former President No Tae-u's secret fund scandal should not be defined as a political incident, nor should it be solved politically." Referring to the impact of the secret fund scandal upon society and future politics, and to social efforts to settle these problems, the editorial states: "Needless to say, prosecutors are the responsible officials to solve this."

As regards the movement to politically resolve former President No's secret fund scandal, and the prosecution's thorough investigation, the editorial concludes: "Now is not the time to solve things in a political manner."

The pro-government SEOUL SINMUN carries on page 3 an 800-word editorial entitled "Now Is Not the Time To Politically Solve Former President No Tae-u's Secret Fund Scandal." Referring to remarks by opposition parties demanding the political scandal be resolved politically, and their move to solve the incident as soon as possible, the editorial states it would be correct if their remarks were intended to avoid political conflict; however, if their remarks were intended to dispel the people's distrust, then that is unacceptable. As regards need for the prosecution's thorough investigation into the incident, the editorial concludes by saying the prosecution should thoroughly investigate the political parties involved in the presidential election campaign fund.

'Boss Politics' Major Factor in Corruption

SK1011045295 Seoul THE KOREA HERALD in English 10 Nov 95 pp 1, 5

[Article by staff reporter David Cho: "Boss Politics, Nontransparent Financial System Lead Politicians Into Corruption"]

[FBIS Transcribed Text] The intricacies of Korean politics have been anything but transparent. But the scandal involving former President No Tae-u, which received international media attention, offers observers of Korean history a glimpse into the murky world of Korean politics.

How could something like the No scandal occur? Professors of Korea's major universities say that the political system itself fostered the corruption that No engaged in.

"The No scandal was inevitable. The question was just how and when a scandal would erupt," Prof. Kim Pyong-kuk of Korea University said.

The former president himself tearfully confessed this troubling fact before the nation: "Though it was wrong to raise a governing fund, it was nevertheless an old political practice. Considering our political and election culture, I have to admit, I needed the money."

Specifically, political science professors point to personality politics as one major flaw in the political system that cultivated financial corruption.

But what does personality have to do with amassing illegal funds?

Prof. Mun Chong-in of Yonsei University says that political leaders had to devise ways to make their party attractive.

"The distribution of political funds prevented defection and fostered loyalty in a party," he said. "As head of the party, you were obliged to bring in funds to use them as informal incentives for party members."

Party loyalty is a constant worry for political leaders, Prof. Mun continued. In Korea, parties are constantly in a state of flux, forming and breaking up around charismatic personalities.

Currently, each of the most powerful figures in Korean politics, known as the "three Kims," has his own party.

President Kim Yong-sam shepherds the ruling Democratic Liberal Party (DLP), the National Congress for New Politics (NCNP) centers around Kim Tae-chung, and the United Liberal Democrats (ULD) follows Kim Chong-pil.

All three Kims are accused of, or admitted, involvement in the No slush fund scandal.

Boss politics, the efforts to keep a party intact, and a nontransparent financial system lead politicians straight into corruption, Prof. Mun also said.

The supply of dirty money is channeled through a deformed link between politicians and businesses, he explained.

"Chaebols (family-controlled Korean conglomerates) make political contributions for legal protection, lucrative contracts, etc.," he said. "That practice is peculiar to economically oriented governments like Korea, Japan, and Taiwan."

The reason financial corruption was prevalent in politics is because Korea's past leaders were more concerned about the goal of economic development, than the means of how to get there, he added.

In contrast to Korean boss politics, party politics in the United States center around issues. Lawmakers in the United States who belong to the same party are free to vote in Congress according to his or her own ideals. Loyalty between two politicians is fostered if they share common beliefs on an issue.

But in Korea, a lawmaker's stance on a particular issue is determined by his leader, one professor said.

"Chongwadae (the presidential mansion) still controls everything in government. Even the National Assembly has to wait for policy from the President," Prof. Chang Tal-chung of Seoul National University said. "Likewise, the other parties are also dependent on their bosses."

For example, for the supplementary budget bill that was passed this week, every lawmaker voted along party lines, which is the common practice in Korea. Since the ruling party had the majority in the National Assembly, the DLP passed its version of the bill, shrugging off protests from two opposition parties.

Prof. Chang also explained that in past administrations, the loyalty to the president evident in the National Assembly by his party members was bought by promises of money and power.

Prof. Yang Sung-ham of Yonsei called this practice of sharing illegal funds "benign corruption."

"There is a kind of collective idea in Korean politics. Even if the money you collected is an illegal fund, you are supposed to distribute it to your friends — then nobody talks about it," he said.

His colleague, Prof. Mun of Yonsei, agreed and pointed out, "No broke the cardinal rule — he did not share his funds. But because political finances are not transparent, you cannot prove any of this unless you're part of the political community."

He also added, "On the outside everyone condemns it, but on the inside, people are ambivalent towards benign corruption because so many engage in some form of financial immorality, right down to the paupers of society."

In other words, there may be a little bit of No in all of us.

Prof. Kim of Korea University, however, warned that one corruption case should not color the entire political system.

"The public is becoming alienated from politics because it believes every politician is corrupt. But I know some clean people in government," he said.

Although Prof. Kim also acknowledges that personality politics may create an environment that fosters corruption, he doubts whether the political system in Korea could become more issue-oriented in the near future.

"It will be difficult to organize the political system based on issues because there is a tremendous amount of consensus and homogeneity among the Korean people," he said.

"We have two tasks," he later added. [incomplete thought as published]

Ex-Official Urges Look Into Chon's Fund

SK1311022295 Seoul YONHAP in English
0154 GMT 13 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 13 (YONHAP) — Former Vice Home Minister Kim Mu-song on Sunday called on the prosecution to look into the secret funds former President Chon Tu-hwan allegedly raised during his term from 1980-1986.

Kim, who had served as President Kim Yong-sam's secretary before becoming vice home minister last year, said he understands Chon gave his successor No Tae-u "a huge amount of his governing fund" when Chon stepped down in February 1987.

The prosecution should investigate into the money No allegedly received from Chon, Kim stressed, as well as any money that Chon still holds from the funds he created while in office. Such an inquiry should be done before concluding the on-going probe of the funds No admitted raising as his "governing fund" during his tenure, he added.

Speaking in a reorganization rally of the Democratic Liberal Party's [DLP] Pusan Nam-B district chapter Saturday, Kim, who was elected chairman of the chapter, claimed No had learned from his predecessor how to collect "such an enormous amount of money" from business conglomerates, calling for an immediate probe into Chon's finances upon completion of the No investigation.

Known as one of the president's close aides, Kim's remarks on Chon's alleged secret fund have drawn keen attention of political circles as the comments came on the heels of bombshell remarks by DLP Secretary-general Kang Sam-chae, another close presidential aide, that opposition leader Kim Tae-chung received political funds from No on several occasions.

General Amnesty To Affect 7.43 Million

SK1411033095 Seoul YONHAP in English 0243 GMT 14 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP) — The government and the ruling Democratic Liberal Party [DLP] have decided to grant general amnesty to an estimated 7.43 million minor offenders such as traffic law violators or those fined for their misdemeanors next month from the perspective of national reconciliation.

The decision was reached Tuesday morning at a government-DLP consultative meeting held at the Federation of Korean Industries building. In attendance were Justice Minister An U-man, Rep. Pak Hi-tae, chairman of National Assembly Legislation-Judiciary Committee, and Rep. Yu Hung-su, chairman of the First Policy Research Committee of the party.

The general pardon will apply to light offenses against 33 laws booked before Aug. 10, 1995. Violations in which limitations are no more than three years or prison terms are less than five years are covered under the pardon.

The government plans to approve the bill at the State Council next Monday and then submit it to the National Assembly Tuesday. After having it approved by parliament by Dec. 2, the deadline for parliamentary approval of the 1996 budget bill.

Those who have been convicted under the law governing assembly and demonstration as well as criminal laws are excluded from the general amnesty.

The administration and the ruling party also plan to pardon those public servants who were reprimanded for wrongdoings prior to Feb. 24, 1994, before the incumbent civilian administration was launched.

'Federation of Democratic Trade Unions' Begins

SK1111073495 Seoul YONHAP in English 0404 GMT 11 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 11 (YONHAP) — A federation of trade unions championing tougher line of industrial action was inaugurated Saturday morning in a rally at Yonsei University of some 500 deputies from labor unions.

The tentatively-named Federation of Democratic Trade Unions (FDTU) elected executive members and adopted regulations and a platform. It comprises 861 unions and 391,000 unionists, who are seeking to be independent from the conservative Korea Federation of Trade Unions.

The federation plans to hand in a report of its inauguration to the Labor Ministry next week, but ministry officials are saying that they will not accept the report.

The FDTU is scheduled to hold a National Workers' Cultural Festival Saturday evening at the university and a national laborers rally commemorating the new federation at Yoido Sunday afternoon, with more than 100,000 people attending.

Revision of Law Banning Contributions Urged

SK1211064095 Seoul YONHAP in English 0437 GMT 12 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 12 (YONHAP) — The administration and the ruling Democratic Liberal Party [DLP] plan to put an end to the practice of semi-coercively collecting contributions with a view to uprooting a source of amassing illicit fortunes.

To that end, they intend to revise the law banning the collection of contributions during the ongoing regular National Assembly session.

Rep. Yu Hung-su, chairman of the DLP Policy Research Committee No. one, said Sunday, "Several attempts have been made in the past in vain to amend the contribution collection banning law since it was rewritten in the 1970s due to lack of consensus. It is now necessary to revise the law during the current parliamentary session to complement deficiencies uncovered in the management of the institution."

Though no collection of contributions is permitted under the law other than relief aid for the destitute and disaster victims, state organs and local autonomous bodies have been collecting donations under various names such as in support of national defense or athletic meetings.

In addition, donations illegally collected have sometimes been diverted into the confidential funds of or used for unspecified purposes by heads of administrative agencies.

Another DLP policymaker said, "The half-coercive collection of contributions by state organs provides a source of amassing illicit fortunes. The law banning the collection of contributions should be revised now to address our realistic problems."

South Lags Behind in Competitiveness

SK1011044095 Seoul THE KOREA TIMES in English 10 Nov 95 p 8

[By staff reporter No Chun-hun]

[FBIS Transcribed Text] Interest rates in Korea are about two to three times higher than in rival countries and the level of technology is lower than in the United States and Japan, making the country one of the least competitive in the world market.

The cost of labor is also virtually the highest in a newly industrializing country, and as high as six times the costs in some, while logistics costs are some 1.3-1.8 times higher, a report showed.

The report by the Ministry of Trade, Industry and Energy [MOTIE] showed that in all aspects of industrial competitiveness, Korea lags behind arch rivals like Japan and Taiwan.

MOTIE officials said that industrial land is 1.5-8.4 times more expensive here while the level of technology is only one tenth that of the United States and one sixth that of Japan.

As for the ratio of overseas investment to the gross national product, Korea posted a dismal 1.7 percent, comparing poorly to the 10 percent in Taiwan, 6.7 percent in Japan and 121.2 percent in the United States.

The report was based on a comparison of conditions at the Namdong Industrial Complex in Inchon, Sendai in Japan, Illinois in the United States and Minung in Taiwan.

Overall, the MOTIE officials said, industrial conditions in Korea are far worse than in the other three regions and suggest Korean companies will not be able to thrive in an age of free trade and industrial competition without boundaries.

More specifically, the financial cost of engaging in industrial activities rose by an average of 5.6 percent in 1994 while the corresponding figures were 1.8 percent in Japan and 2.2 percent in Taiwan in 1993.

The average interest on loans in Korea was 11.4 percent in 1994 while companies in Japan enjoyed a much lower rate of 4.8 percent in 1993 and their counterparts in Taiwan paid 7.2 percent in the same year.

Even in terms of capitalization, Korean companies showed an average rate of 24.8 percent, considerably poorer than the 32 percent for Japanese firms and 53.2 percent for American enterprises, the report indicated.

As for labor costs, the rate of increase here over the past four years has been 5.8 percent, way ahead of Taiwan's 3.2 percent and Japan's 1.3 percent. In the United States, labor costs actually fell 0.2 percent.

The MOTIE officials said while many of these facts are common knowledge, the most worrying finding is the lack of competitiveness of Korean technology with that of advanced countries.

They said the growth of high technology industry over the next 10 years is expected to be 5.5 percent, higher than the total expansion in the global GDP (gross domestic product) of 3.5 percent. Yet, Korea accounts for only 2 percent of this sector.

"What the report shows is that Korea is not competitive in any important economic aspect and that it does not have enough technology to make Korean products among the best in the world market," one industrial policy official admitted.

In such critical industries as machinery and other high-tech fields, Korea remains strongly dependent on products from Japan and the United States, meaning exports are closely related to imports.

Foreigners Allowed To Issue Depository Receipts

SK1011044195 Seoul THE KOREA TIMES in English 10 Nov 95 p 9

[FBIS Transcribed Text] Korea Stock Exchange chairman Hong In-ki said yesterday that foreign firms will be allowed to issue depository receipts in Korea starting next year and that they will be able to trade them on the KSE.

"One of the recent developments in the global securities market is the increasing tendency for more and more firms to take the route of equity financing. As firms issue depository receipts in the international market, cross-border listing has become a common occurrence," Hong said during the Seventh Asia-Pacific Conference on International Accounting Issues at the Swiss Grand Hotel yesterday.

Hong's remark was interpreted as reconfirming the government's initial plan to allow the listing of foreign companies on the KSE.

Noting that several Korean companies' depository receipts are currently traded on the New York and London Stock Exchanges, he said the day of a truly globalized Korea Stock Exchange is just around the corner.

He also predicted that corporate mergers and acquisitions will be promoted significantly from 1997.

"Some of the large Korean conglomerates are actively acquiring foreign firms to gain access to advanced technological knowhow so they can compete head on with the world's best," he said.

Halla To Enter E. Europe Power, Cement Markets

SK1011044395 Seoul THE KOREA TIMES in English 10 Nov 95 p 8

[FBIS Transcribed Text] Halla Engineering and Heavy Industries has reached agreement with two leading Czech companies on a plan to enter the power generation and cement markets in Eastern Europe, company officials said yesterday.

The agreements with Skoda Co. and PSP have been signed by Halla Group Chairman Chong In-yong. Skoda is Eastern Europe's largest manufacturer of power generation equipment while PSP specializes in the production of cement.

The officials said the accords with the Czech companies represent a clear opportunity to combine the expertise of the parties involved, especially in technology, to penetrate the emerging East European market.

Foreigners May Now Take Part in Power Projects

SK1011060295 Seoul THE KOREA HERALD in English 10 Nov 95 pp 8, 9

[FBIS Transcribed Text] Private enterprises will be allowed to participate in projects to build, own and operate power plants, which are exclusively handled by the state-run Korea Electric Power Corp. (KEPCO).

The Ministry of Trade, Industry and Energy (MOTIE) said yesterday that it has decided to allow private companies to engage in the power-generating business and sell produced electricity to KEPCO.

Under the ministry's decision made at the screening committee for the nation's long-term electricity power supply, KEPCO will invite hopeful private companies to the bidding for the construction of two 400 mw-class LNG (liquefied natural gas)-fired combined cycle power plants and another two 500 MW-class coal thermal power plants before the end of this year.

According to the ministry's long-term electricity power supply plan, the LNG-fired combined cycle power plants are to be built in 2001 and in 2002, respectively, at a cost of some 240 billion won (about $307 million) per unit and the coal thermal power plants in 2003 and in 2004 at a cost of 600 billion won per unit.

Applicants for the KEPCO-offered bidding, however, must satisfy several qualifications, including the past experience of building more than 50 mw-class power generating facilities either at home or abroad and the ratio of net worth to total capital standing at over 20 percent.

Currently some 13 construction companies, including Daelim, Hyundai, Samsung, Dong-Ah, LG, Daewoo, Lotte, Hanjin, Halla and Samwhan, plus Pohang Iron and Steel Co. (Posco) and Korea Heavy Industries & Construction Corp. (Hanjung) are showing keen interest in participating in the power-generating business, a MOTIE spokesman said.

Meanwhile, the government has decided to grant a joint venture between domestic and foreign companies the same bidding chance for the construction of the power plants if a foreign business partner's investment ratio does not exceed 50 percent of the joint venture.

After receiving applications and reviewing documents and other business details of applicants, KEPCO will select three successful bidders before the end of June next year.

MOTIE classified the power plant construction works into three business projects — LNG power plant to be built in 2001, the other LNG power plant to be built in 2002, and two coal thermal power plants to be completed by 2004, and each of the three successful bidders will be in charge of each project.

The deregulation of the power-generating industry is designed to bolster international competitive power of domestic power-generating companies through the introduction of a competition system in the industry, the spokesman said.

Burma

Thai Foreign Minister Says Ties 'Back on Track'

BK1411073495 Bangkok BANGKOK POST in English 14 Nov 95 p 3

[Report by Nutsara Sawatsawang in Rangoon]

[FBIS Transcribed Text] Thailand has agreed to dismantle the causeway it built on a section of the Moei River, the Foreign Minister announced yesterday.

The agreement opens the way for work to be resumed on the Thai-Burmese Friendship Bridge, Kasemsamoson Kasemsi said at the end of a two-day visit to Rangoon.

It means the relations between Thailand and Burma are "back on track," Kasemsamoson claimed.

But despite talks lasting three days, the Thai delegation has failed to convince the Burmese to reopen border checkpoints.

The causeway was discussed by Kasemsamoson and Gen Than Shwe, chairman of the State Law and Order Restoration Council [SLORC], at yesterday's courtesy session.

Than Shwe said that the moment Thailand began clearing the causeway on its side of Moei River, Burma would give the green light for work on the bridge to continue.

The causeway on the Thai side of the Moei River was built several years ago by Thai business concerns to close the gap between an islet in the middle of the river and the Thai bank.

Rangoon considers the construction of this man-made facility a bid to alter the border demarcation, and has demanded that Thailand restore the waterway that separates the islet and Thai territory.

"I'll report this to Khun Banhan. I'm confident the Thai government will try to return things to their previous condition, since we have no intention of annexing the islet," Kasemsamoson said.

The removal of the causeway will be carried out on the basis of the 1868 Thai-British Convention, which provides for the respective river banks to demarcate the borders, he said.

Burma called off work on the Friendship Bridge in June on the grounds that the causeway constituted Thai encroachment on its territory.

In Rangoon, Kasemsamoson also met SLORC First Secretary Lt Gen Khin Nyunt and Burmese Foreign Minister Ohn Gyaw.

In exchange for his assurance that the Thai government would see to it that the original watercourse was restored, Kasemsamoson proposed that the Burmese side resume work on the Friendship Bridge, to which his host agreed.

"They will do so as soon as we are ready to remove (the causeway)," he told reporters after meeting Gen Than Shwe.

While the bridge problem stands a chance of being resolved, the two sides failed to reach an agreement on the reopening of border checkpoints.

Burma closed its checkpoints on the border with Tak and Chiang Rai provinces in March, alleging Thai support for Karen ethnic rebels and drug warlord Khun Sa.

Kasemsamoson played down reports of SLORC's demand for compensation for the deaths of Burmese nationals in Chiang Rai and Ranong.

"It would be a matter of development cooperation, rather than compensation," he said on Rangoon's demand for compensation as a condition for improved ties.

He suggested local businessmen in border provinces contribute money to the rebuilding of Tachilek, razed during the attack in March.

Funds raised from the Thai private sector should also go to aid relatives of the Burmese dead.

"The local people along both sides of the border are like brothers and sisters. If they can talk and settle the dispute, the border can be reopened," he said.

A source said Rangoon has demanded 100 million baht in reparations from the Thai government, claiming that Khun Sa's troops attacked Tachilek from Thai soil.

The Foreign Ministry's Director-General for East Asian Affairs, Sombun Sa-ngiambut, said the Thai government could not comply with this demand.

Doing so would mean the government conceded that it had made a mistake and that it supported Khun Sa.

On the murder of seven Thai crewmen aboard a trawler, allegedly by their Burmese counterparts, Kasemsamoson said he raised the matter with Burmese leaders and sought cooperation on the drawing up of rules on fisheries.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Rejects Sanctions Against Nigeria

BK1311124695 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 13 Nov 95

[FBIS Translated Text] Dear listeners! Here is the latest news: The government will not impose trade sanctions against Nigeria even though the Commonwealth has suspended that country's membership for two years. Prime Minister Datuk Sri Dr. Mahathir Mohamed said this upon arrival at Kuala Lumpur International Airport after attending the Commonwealth Heads of Government Meeting in Auckland, New Zealand.

Daily Criticizes John Major Over Nuclear Issue

BK1411111695 Kuala Lumpur BERITA HARIAN in Malay 14 Nov 95

[Editorial: "Major Adopts an Imperialist Attitude" — received via Internet]

[FBIS Translated Text] Britain had clashed with the Commonwealth for years over South Africa's apartheid policy. It has, however, remained outside the Commonwealth's mainstream following the resolution of the apartheid issue, despite its desire to have better relations with fellow members of the Commonwealth and to enhance its influence in this world organization.

Despite hopes for the CHOGM [Commonwealth Heads of Government Meeting] in Edinburgh, it remains difficult for Britain to achieve its goals because it was sidelined at the Auckland CHOGM over the nuclear issue. Britain was sidelined in Auckland and is expected to remain so, even at a meeting at home.

We believe that the Commonwealth's criticisms at the Auckland CHOGM of nuclear tests and the possession of destructive weapons should have been firm, loud, and strong. Unfortunately, the statement on nuclear tests did not have as strong an effect as it should have because of Britain's reluctance to criticize nuclear tests and Canada's use of soft language regarding the matter.

It is very clear that Prime Minister Mahathir Mohamed was not fully satisfied with the statement on the nuclear issue. He believed that the Commonwealth should have issued a stronger statement. He said: "For me, I prefer a stronger stance." He was not alone in this regard. Many other Commonwealth heads of government at the CHOGM shared his views.

Nevertheless, it is clear that Malaysia has expressed its opposition to nuclear tests loudly. Not only did the country want the Commonwealth to condemn such tests; it also wanted the organization to demand the total elimination of nuclear weapons. We were surprised by Britain's separate statement that it did not support the fifth paragraph of the statement, which says that the majority of the members have condemned continued nuclear tests and urged that they be ended once and for all. Among the reasons cited by British Prime Minister John Major are that nuclear weapons have succeeded in serving as a balancer of power and have contributed to peace and stability for 50 years. He added that such tests were also necessary to ensure the safety of nuclear weapons.

We cannot help but question the logic of Major's reasoning. How can destructive weapons contribute to peace, as history proves their indescribable destructive effects? Has Major forgotten Hiroshima and Nagasaki, which were the target of atomic bombs? We are surprised that Major issued this statement, considering the fact that the world just commemorated the 50th anniversary of the detonation of atomic bombs over these two Japanese cities.

There is considerable evidence regarding the dangers of France's recent nuclear tests in the South Pacific. Among them are the long-term destructive effects on the environment, water pollution, the destruction of marine life, and damage to sea beds. Where is Major's concern?

For us, Major's statement reflects nothing but the imperialist attitude of the possessors of nuclear weapons that are bent on preserving their monopoly over these weapons. This imperialist attitude is clear, as the "superpowers" have chosen to conduct nuclear tests in regions where ethnic minorities live. Do they intend to maintain a balance of power and contribute to peace? Could the detonation of nuclear weapons in the North Sea serve this objective?

We welcome Malaysia's rejection of any views that justify nuclear tests or defend the use of the nuclear power. Malaysia has done its best to oppose nuclear tests. Efforts continue, and the Lower House of Representatives is discussing the matter. In reality, all countries want nuclear tests stopped. Only possessors of nuclear weapons, such as Britain and France, have deliberately remained indifferent in order to enable them to continue their tests. This is, of course, unfair, and naturally they should be criticized using the strongest language. The 2,500 tests conducted over the past 10 to 15 years are enough.

We do not need Britain to teach the world about the importance of nuclear tests. All people know that these weapons will result in destruction rather than good.

Cambodia

Four Vietnamese-Americans Sought by Government

BK1411074295 Hong Kong AFP in English 0715 GMT 14 Nov 95

[FBIS Transcribed Text] Phnom Penh, Nov 14 (AFP) — The Cambodian government is searching for four Vietnamese-Americans allegedly plotting to overthrow the government in Hanoi from bases in Cambodia, the National Police chief said Tuesday.

"There are four Vietnamese Americans who are the leaders of the Free Vietnam movement which is aiming to use Cambodia as their base to attack," General Hok Longdy said.

Deportation proceedings against the four, who are now in hiding, will commence as soon as they are arrested, he said.

The men, who Hok Longdy said were high-ranking members of the former South Vietnamese army, are the ringleaders of Free Vietnam, a group of several hundred anti-(?communists) who have sought to base their movement in Cambodia.

He would not reveal the suspects' names but said the US embassy had agreed with the Interior Ministry that the men should be deported.

A US embassy spokesman said the embassy was aware of the Free Vietnam group but had not been informed of any move to deport American citizens.

"To my knowledge we have not been consulted about these four," Frank Huffman said. "But it's not up to the embassy to decide whether they should be deported. Our position is, if they are breaking the law, they should be deported."

The existence of Free Vietnam became public this month when Cambodian officials and diplomats said they had been aware of at least one anti-communist organization planning to topple Hanoi from Cambodia.

The Phnom Penh Post newspaper reported last week that the group was funded by ethnic Vietnamese and others in the United States and had as many as 2,000 members. It had established a network of "front" businesses to disguise their activity.

Sources told AFP that Free Vietnam had only several hundred members and lacked any significant structure or weapons, however they said that their presence had alarmed the Vietnamese government.

They said that most of the group's rank and file had come to Phnom Penh from bases on the Thai-Cambodian border with anti-communist Cambodian resistance movements after the 1991 Paris Peace Accords which ended Cambodia's civil war.

Free Vietnam members met at least once with Cambodian officials to explain their goals and ask for help, the sources told AFP but they said the government rejected any form of assistance.

"There is no way are we going to support this group or any group involved in this kind of movement," said one source who attended the meeting.

"It is opposed to our constitution which requires neutrality and besides we will not support any group established to fight any neighboring, friendly country."

The source said the government had not acted against Free Vietnam because they had done nothing illegal up to that point.

It was unclear Tuesday whether the four had now violated a Cambodian law or whether their earlier statements were now construed as a violation of law.

Ranariddh Regrets Diplomats at Party Founding

BK1211105195 Hong Kong AFP in English 0946 GMT 12 Nov 95

[FBIS Transcribed Text] Phnom Penh, Nov 12 (AFP) — Cambodia's first Prime Minister has lashed out at foreign diplomats for having attended the inauguration of a new opposition party founded by controversial former Finance Minister Sam Rainsy.

Prince Norodom Ranariddh said he regretted the presence of the ambassadors of the United States, Canada, Australia, as well as that of the Thai second secretary at the launch of the Cheat Khmer (Khmer Nation) party.

Cambodia's interior ministry has declared the party illegal.

"These ambassadors never stop telling us Cambodians and the Cambodian leaders, that the Kingdom of Cambodia must be a State of Law," Ranariddh said in statement released late Saturday.

"I sincerely regret that those ... diplomats were present during the proclamation of the creation of such a political party which is not conformed by the law."

He added their presence could be interpreted as endorsing a violation of existing rules and regulations of Cambodia.

Cambodia's co-ministers of interior told Sam Rainsy before the formation of the party that the official declaration of the party's existence would be illegal until he submits a variety of documents which they say are required for a political party to be recognized.

But Sam Rainsy argued that the Interior Ministry's demands were not applicable to the launch of a party, and only to the registering candidates for an election. Cambodia's next general election is not set to be held until 1998.

Sam Rainsy was expelled from the royalist FUNCINPEC party earlier this year and then ousted from parliament.

Indonesia

East Timorese Seek Asylum at Japanese Embassy

BK1411022195 Hong Kong AFP in English 0214 GMT 14 Nov 95

[FBIS Transcribed Text] JAKARTA, Nov 14 (AFP) — About 20 East Timorese Tuesday entered the Japanese embassy here seeking political asylum, sources at the embassy said.

"Yes, there are several East Timorese at our embassy," a source there confirmed, but referred further inquiries to the press attache, who was not immediately available.

Another source at the embassy said that the group consisted of 21 male East Timorese.

This is the second time in a week and the fourth time in a year that a group from East Timor has sought asylum at a foreign mission here.

A group of eight East Timorese were holed up at the Dutch embassy before they left for Portugal, which offered them asylum, on Wednesday.

Five East Timorese asylum seekers were sheltered in the British embassy for four days before being allowed to leave for Portugal in September.

Last November, 29 East Timorese left for Lisbon after they scrambled into the US embassy compound to demand asylum while a summit of the Asia-Pacific Economic Cooperation (APEC) forum was underway in Indonesia.

Seven youths from East Timor demanded political asylum at the Swedish and Finnish missions here in July 1993. They were denied asylum but were allowed to leave for Portugal in that December.

Indonesia invaded the former Portuguese colony of East Timor in 1975 and annexed it the following year. The United Nations does not recognise Jakarta's sovereignty over East Timor and still views Lisbon as the enclave's administering authority.

The predominantly Roman Catholic territory has been the scene of unrest, riots and killings of pro-independence demonstrators by troops of mainly Moslem Indonesia, sparking angry criticism from governments and rights groups abroad.

East Timorese May Leave

BK1411122995 Jakarta ANTARA in Indonesian 0605 GMT 14 Nov 95

[FBIS Translated Text] Jakarta, 14 Nov (ANTARA) — President Suharto has said that the Indonesian Government will never prevent the 21 East Timor youths who are now at the Japanese Embassy from going abroad.

"The way is wide open if they want to go. We will not detain them," [Fransisco Xavier] Lopez da Cruz, special roving ambassador in charge of East Timor affairs, quoted the head of state as saying at the Bina Graha Presidential Office on Tuesday.

Lopez da Cruz reported to the head of state on the entry of 21 East Timor youths into the Japanese Embassy at about 0730 West Indonesian Standard Time on Tuesday morning.

The head of state said that they are dreaming if they say they are suffering at home. If they insist on going abroad, especially to Portugal, their future will become even more uncertain.

When asked by reporters whether the youths went to the Japanese Embassy simply to get free tickets to go abroad, Lopez da Crux said: "That is possible."

He also reported to the head of state on the recent establishment of a new government in Portugal. The new government said that it will be neutral toward both the East Timorese who support the integration and those who oppose it.

The Portuguese Government expressed its desire to hold talks with the East Timorese who became Indonesian nationals, as well as to hold talks with Lopez da Cruz himself.

Commenting on the report, the head of state asked Lopez da Cruz to closely monitor the developments in Portugal and to gather information to contribute to the success of tripartite talks involving Indonesia, Portugal, and the UN secretary general.

Lopez da Cruz also reported to the president on the desire of Abilio Araujo, a leader opposed to the integration, to meet with Suharto in Jakarta. The head of state said that Araujo could come to Indonesia in December to celebrate Christmas. There could be a meeting between Araujo and the head of state on that occasion.

When asked whether Araujo may come with some of his friends, Lopez said that he did not know about it.

"Nevertheless, if there is an audience, Suharto will receive only Araujo," he said.

Lopez da Cruz was also asked about the formation of the "Osaka East Association" [as received], designed to "raise" the East Timor issue with participants at the APEC [Asia-Pacific Economic Cooperation] economic leaders meeting in Osaka on 19 November.

He said that anyone who wanted to raise the issue of the integration of East Timor [with the Republic of Indonesia] should utilize tripartite talks involving Indonesia, Portugal, and the United Nations for the purpose.

"It is their right to seek an alternative forum to resolve the East Timor issue. Nevertheless, the United Nations recognizes only tripartite talks," Lopez da Cruz said.

Laos

Fifth Lao-Thai Cooperation Meeting Held

BK1311050895 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 11 Nov 95

["Joint press release" issued by the Lao, Thai cooperation committees in Vientiane on 9 November]

[FBIS Translated Text] The fifth joint meeting between the Lao and Thai cooperation committees was held in Vientiane from 8 to 9 November. The cooperation meeting was cochaired by His Excellency [H.E.] Somsavat Lengsavat, foreign affairs minister of the Lao People's Democratic Republic [LPDR], for the Lao side, and M.R. Kasemsamoson Kasemsi, foreign affairs minister of the Kingdom of Thailand, for the Thai side. In the meeting, the committees of the two sides discussed and exchanged views on the relations and in the political, economic, and cultural fields between the two countries over the past year and their relative stability. The two sides expressed satisfaction over the bilateral relations, which have concretely developed at all the head-of-state, government, regional, and local levels. The two sides noted with satisfaction the results of the visit to Thailand, as guests of their majesties the king and the queen, by H.E. Nouhak Phoumsavan, president of the LPDR and his wife from 14 to 19 February 1995. The visit was crowded with great success in term of promoting and expanding the friendly relations between the two countries. The government and people of Laos conveyed their thanks and appreciation to their majesties the king and queen and the members of the royal family as well as the government and fraternal people of Thailand for the honorable, warm, and neighborly welcome accorded H.E. President, his wife, and delegation during the visit.

H.E. Somsavat Lengsavat and M.R. Kasemsamoson Kasemsi delivered speeches at the opening ceremony and the signing ceremony of the memorandum of the fifth Lao-Thai cooperation meeting. In their speeches, the two noted with great pleasure that over the past year, the Lao-Thai relations had favorably developed in all respects. The two expressed satisfaction with the outcome of this joint meeting of the Lao and Thai cooperation committees, and added that action would be taken at an early date to translate into reality the resolution of the meeting.

With regard to the cooperation in maintaining public security along the border, the meeting has acknowledged the achievements of the Lao and Thai general border peacekeeping cooperation committees and the peacekeeping cooperation subcommittees, which have discussed and coordinated with good mutual understanding in carrying out the work and which have expanded the cooperation in maintaining public security and order along the border at the provincial level. Meetings have been held regularly between the subcommittees of all provinces bordering the two countries. As a result, tranquillity has been maintained in most of the Lao-Thai border areas. The two sides have agreed to make proposals to their respective governments to give full support to the meetings, scheduled to be held in 1996 with the Thai side as the host, between the border peacekeeping cooperation committees as well as the meetings between provincial governors of all six provinces bordering the two countries.

With regard to the Lao-Thai borderline, the Lao and Thai sides have agreed with each other that at a time when there is a favorable atmosphere in Lao-Thai relations, the remaining Lao-Thai border problems should be jointly settled at an early date in order to promote the atmosphere of friendship and stability so it can serve as a basis for cooperation in various spheres.

Regarding the setting up of consulates general, the meeting has agreed to allow Laos to open a consulate general in Khon Kaen Province and to allow Thailand to open a consulate general in Savannakhet Province. The two sides have also agreed to cooperate in taking action to open the consulates general in each other's territories at an early date. The two sides will first hold consultations on the setting of restrictions on the jurisdiction of the consulates general, which they will propose to their respective governments for approval.

With regard to an extradition treaty, the meeting has agreed to have the sectors concerned of the two sides to hold consultations to reach an agreement on extradition at an early date. In the meeting, the Thai side handed over a draft extradition treaty to the Lao side for consideration. Consultative meetings will be later held to formulate an agreement on cooperation through courts and an agreement on the handing over of criminals. Regarding the cooperation when citizens of either side are arrested and detained, the two sides have agreed that each side must promptly inform the other side of the arrest and detaining of its people and that it must allow the other side to visit the arrested and detained persons throughout the period of the legal proceedings. In addition, in judging the crimes of the offenders, the two sides have agreed to have their officials concerned act in accordance with the laws in a strict manner and with the close cooperation of the provincial officials concerned from the two sides.

Regarding the opening of more border checkpoints and regulations to facilitate travel across the Lao-Thai border, the Thai side heard the proposal from the Lao side to open border checkpoints at Ban Kathin in Houai Sai District in Bokeo Province, which is opposite to Ban Chot Song in Tambon Plai Ngao in the Wiang Kaen Sub-district of Chiang Rai Province; and at Ban Huam Lao in the Paklai District of Sayaboury, opposite to Ban Muang Chet Ton, which is in Tambon Muang Chet Ton in the Ban Khok District of Uttaradit Province. These two checkpoints would be local checkpoints. The Thai side also heard a proposal to upgrade a border checkpoint at Ban Vang Sao in Champassak Province, which is opposite to Ban Chong Lek in the Sirinthon District of Ubon Ratchathani Province, to the status of an international border checkpoint.

The Thai side proposed to Laos the upgrading of a local border checkpoint at Ban Nam Ngeun in the Ngeun District of Sayaboury Province, which is opposite to Ban Huai Kon in the Thung Chang District of Nan Province; and the upgrading of a local border checkpoint at Ton Pheung District in Bokeo Province, opposite to Ban Chiang Saen in the Chiang Saen District of Chiang Rai Province. Both would become international border checkpoints for the benefit of trade and to facilitate cross-border travel between the two countries. The Lao side accepted the proposals for further consideration.

To ensure smooth and orderly travel across the Lao-Thai border, the meeting agreed that regulations should be set for the border crossing between Laos and Thailand to cover the whole process. Their agencies concerned have been tasked with arranging discussions to arrive at further agreement on the issue.

Regarding cooperation in constructing a bridge across the Nam Heuang River, the meeting agreed in principle to construct a bridge across Nam Heaung at Ban Meuang Mok in the Kenthao District of Sayaboury Province, which is opposite to Ban Na Tasang in Tambon Na Hi in the Tha Li District of Loei Province. The committees also agreed that the agencies concerned from both sides would study in more detail the legal and technical respects in order that the construction can begin at an early date.

The meeting agreed in principle that the two sides should cooperate closely with each other under the regional cooperation scheme set by the Mekong committee. The Thai side acknowledged the Lao request for it to support Vientiane in its bid to become the secretariat site for the Mekong committee.

On energy cooperation, the meeting deemed it suitable that the electricity development cooperation coordination committee of the LPDR and the Thai committee on energy and electricity hold consultations on and study in more detail an increase in the purchase of Lao electricity from 1,500 megawatts to 2,500 megawatts by 2005. The consultations will be held after an agreement is reached on the price of power for an initial purchase of 1,500 megawatts.

Regarding an agreement on the transport of goods across the border, the meeting agreed that it is necessary to promote the development of a border trade transport system so that it will effectively correspond with trade expansion for the present and the future. To achieve this goal, both sides agreed to revise an agreement on border crossing transport previously reached between the LPDR and the Kingdom of Thailand in 1978. This is aimed at creating cooperation in various forms of land transport.

Regarding the project to construct a railway system from Vientiane to Nong Khai, both sides concurred that such a project would be beneficial for the expansion of their economic cooperation and the exchange of visits. The Lao side reported that the Pacific-France Corporation Company has completed its survey and designs for the construction of the Nong Khai-Vientiane railway. Regarding this, Laos will ask the Pacific-France Corporation Company to submit a report on the completed designs to the Thai Government for consideration before further steps are taken for construction and cooperation.

Regarding the construction of roads linking Laos, Thailand, and third countries, the meeting acknowledged Laos' communications routes development plan. They include the route to link [words indistinct] from Ngeun District in Sayaboury Province to Pakbeng District in Oudomsai Province; and the route from Oudomsai Province to the Lao-Vietnamese border at (Sai Chang). The plan includes the improvement of Route No. 8, Route No. 9, and Route No. 18. The Thai side was informed that the Lao side was ready to allow the private sector to construct the said routes.

The Lao committee informed its Thai counterpart that Laos will construct a road from Ban Paklai in Sayaboury Province to the Lao border at Ban Huam Lao and to the Thai border at Ban Muang Chet Ton in the Ban Khok District of Uttaradit Province.

On cooperation in the fields of trade, banking, and tariffs, the meeting was informed that Thailand has reduced import tariffs on agricultural goods and processed timber products from Laos, as earlier proposed by Laos. Moreover, Thailand has also been working to open its market for 22 items of agricultural goods from the LPDR, as well as from members of the World Trade Organization or members of GATT [Generalized Agreement on Tariffs and Trade], providing that the import tariffs to be imposed on Laos are at the same rates as those for WTO members.

The meeting learned with pleasure the success of the cooperation between the Bank of the LPDR and the Bank of Thailand. The governments of the two countries will further promote their continued bilateral cooperation.

The two sides agreed to increase technical exchange and experiences in the banking, finance, monetary, and taxation fields. The Thai side is willing to provide further training and study tours in Thailand to finance, banking, monetary, and taxation authorities in the Lao People's Democratic Republic [LPDR]. If requested by the LPDR, the Thai side is willing to dispatch its finance, banking, monetary, and taxation specialists [to the LPDR] to provide training and advice to their Lao counterparts.

The meeting acknowledged that some authorities of the LPDR's Tax and Excise Department have paid visits to Thailand at the invitation of Thailand's Tax and Excise Department, during which they have extended invitations to high-level Thai tax and excise authorities to carry out exchange visits with Laos on a regular basis.

The two sides agreed to draft an agreement to deal with the double taxation issue, details of which will be jointly worked out by the services concerned from both sides.

The meeting expressed satisfaction with the gradual increase of Thai investment in Laos, which was in response to the investment policy implemented by the LPDR; and agreed to consider extending the cooperation agreement reached by the LPDR's Foreign Investment Management Commission and the Board of Investment of the Kingdom of Thailand.

The meeting realized that Laos and Thailand had signed an agreement on investment promotion and protection in 1990. In order to promote further consultation for an increase in investment, the Thai side proposed that a joint cooperation committee for investment in Laos be set up. The Lao side acknowledged the Thai side's proposal.

With regard to economic and technical cooperation, in 1996 the [Thai] government will give 20 study tour grants to high-level Lao authorities, 60 grants for short- and long-term training programs for technical authorities in various services, and 20 scholarships to Lao personnel for graduate study [in Thailand]. The Thai Government pledged to give consideration to assisting the development of an English language training program in Vientiane for Laos by providing a number of [Thai English language] personnel and comprehensive equipment. The [Thai] government will continue assistance to Laos in providing equipment to the education, public health, and agricultural fields as needed by the LPDR. The Thai Government is willing to provide training in other fields to Lao authorities, including preparing personnel for Laos' future ASEAN membership. The two sides will further consult with each other on this issue at some time in the future.

With regard to cultural exchanges, the two sides agreed to continue stepping up efforts aimed at developing cultural and library research and setting up journalists and literary associations through cooperation projects and plans at an appropriate time in the future.

The Lao side thanked the Thai side for rendering support to the preservation project of mural paintings at Wat Pahuak temple in Luang Prabang District. For the cultural and art exchanges in 1996, the Lao side plans to send four artistic and acrobatic troupes to perform in Thailand, and the Thai side pledges to present seven cultural cooperation projects [in Laos].

With regard to the activities of the Laos-Thailand and Thailand- Laos friendship associations, the meeting acknowledged with pleasure their achievements in the implementation of various economic and cultural projects and plans jointly carried out by the two associations, aimed at further strengthening the relations between the two countries, as, for example, the organizing of a seminar on high-level economic [?strategies] and the participation in the celebration of the Si Songhak pagoda in Dan Sai District, Loei Province [in Thailand]. The two associations also plan to jointly sponsor a religious ceremony to present yellow robes and alms to Buddhist monks at Wat Sen Phokkhalam temple in Luang Prabang Province [in Laos] between 23 and 26 November 1995. In addition, the meeting expressed support for the two associations, encouraging them to further implement various projects earlier mutually agreed upon.

The two sides exchanged various frank and sincere views in an intimate, friendly atmosphere.

The Thai delegation thanked the Lao Government for according it a warm welcome filled with goodwill and for providing convenient facilities for the meeting.

[Signed] Vientiane, 9 November 1995.

Philippines

NBI Group To Monitor 'Terrorist'

BK1011013695 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 9 Nov 95

[FBIS Translated Text] The National Bureau of Investigation [NBI] has formed different groups to monitor the movements of Abu Sayyaf leader Abubakar Janjalani who is reportedly in Metro Manila.

According to intelligence reports, the terrorist groups, which include the Abu Sayyaf and other international terrorist groups, are preparing to disrupt the Asia-Pacific Economic Cooperation conference that will be attended by leaders from various Asia- Pacific countries to be held in Subic next year.

The report revealed that Janjalani's group has been meeting with several terrorists from the Middle East, and is holding regular meetings in different hideouts in Metro Manila. The intelligence report further said that the terrorists are planning to use car bombs in commercial centers, hotels, and in other crowded areas.

Because of these reports, the authorities are closely monitoring the terrorists' possible targets, like the Pandacan Oil Depot, the U.S. Embassy grounds, and the Ninoy Aquino International Airport where tourists enter.

The NBI's anti-terrorist squads are also studying the latest bombs, like the liquid explosives and watch technology, which was used in the Philippine Airlines plane bombing in Okinawa where a Japanese passenger died last year.

Ramzi Ahmad Yusuf's Brother Reportedly in Manila

BK1011083395 Manila PHILIPPINE DAILY INQUIRER in English 8 Nov 95 p 23

[Report by Raymond Burgos]

[FBIS Transcribed Text] A brother of international terrorist Ramzi Ahmad Yusuf is reportedly in Metro Manila and is seeking a meeting with Abdurajak Abubakar Janjalani, leader of the Muslim extremist Abu Sayyaf group.

Intelligence sources said the brother of Yusuf, whose identity has been withheld pending his arrest, arrived in the country recently and is now in Metro Manila, hoping to renew links with the Abu Sayyaf.

The elder Yusuf, who is currently facing trial in the United States for the 1993 bombing of the World Trade Center, was able to establish links with the Abu Sayyaf a few years back.

Yusuf was said to be responsible for the training of some Abu Sayyaf members in the handling of explosives.

The Philippine National Police [PNP] has earlier alerted its intelligence agents following reports that Janjalani, the country's most wanted criminal, has been sighted in Metro Manila.

Janjalani, who has a P [pesos] 1.5 million price for his capture dead or alive, is wanted for kidnapping with serious illegal detention, kidnapping for ransom, and kidnapping with murder.

Director General Recaredo Sarmiento II, PNP chief, confirmed receiving such report from the Intelligence Command but stressed that they have yet to verify such report.

Sources revealed that police intelligence agents have placed under surveillance several places where Janjalani and his group might seek refuge.

The PNP had earlier said that Muslim extremists have the capability of launching terror attacks in Metro Manila.

This was further bolstered early this year after policemen arrested an international terrorist suspected of plotting to assassinate Pope John Paul II who visited the country last January.

The Abu Sayyaf, which is based mainly in Basilan, has been blamed for the rash of kidnappings and bombings in key urban centers in Mindanao.

Thailand

Spokesman Views Thanat's Remark About U.S.

BK0911071895 Bangkok Radio Thailand Network in Thai 0530 GMT 9 Nov 95

[FBIS Translated Text] Government House Spokesman Somsak Pritsananthakun this morning referred to an address by Colonel Thanat Khoman, special adviser to the head of the Thai delegation, at a 30 October meeting commemorating the 50th anniversary of the UN General Assembly stating that the United States lacked sincerity to solve the narcotics problem, and shifted the burden to the producing country despite the fact that it was also a consuming country. He said that Thanat's remark was his own personal opinion, and he did not think it would affect good relations between Thailand and the United States.

[Begin recording] [Somsak] It is an accepted fact that Thanat is a senior diplomat who stated his opinion at the United Nations on several occasions. On each occasion his opinion was geared to protect Thailand's national interests. I believe that the remark he made [on 30 October] to the United Nations was his own personal view. As to whether the remark will negatively affect Thailand, I think the United States understands Thailand, in its capacity as a country that has enjoyed continued good relations. As I just said, Thanat's remark was an expression of his personal view that benefited national and government interests; therefore I feel that his action was correct. The United States should understand this point.

[Unidentified reporter] The United States may protest. Does the Thai Goverment plan to explain the issue to the United States?

[Somsak] This probably will be an issue for the Foreign Ministry to explain to the United States. I continue to believe that as a good friend, the U.S. attitude toward Thailand will remain good. [end recording]

Government Tries To Lessen Impact of Attack

BK1011041695 Bangkok THE NATION in English 10 Nov 95 p A2

[Unattributed report]

[FBIS Transcribed Text] The government yesterday tried to distance itself from Commission of Inquiry chairman Thanat Khoman's latest and fiercest attack so far on the United States in connection with drug allegations against Thai politicians.

But some academics warned that Thanat's verbal assault on Washington could affect bilateral ties, or at least subject Thailand's international image to ridicule.

A government spokesman said the Oct 30 speech of the former foreign minister, who was in the United States attending the UN third committee which oversees social, humanitarian and cultural affairs, had nothing to do with the Thai Government.

"He did not represent the Thai Government. He attended the meeting as a special adviser of the Thai delegation to the UN," said government spokesman Somsak Pritsananthakun. Thanat was appointed to the delegation by the Foreign Ministry.

In a speech said to have infuriated many U.S. officials, Thanat accused Washington of using drug issues as "political instruments of pressure for extracting concessions" from Thailand.

The former foreign minister claimed that the U.S. accusations against some Thai politicians were made "without valid evidence" and seemed suspiciously timed as they allowed the Chuan government to "make use of the allegations to defeat the censure motion in Parliament."

"It was clear-cut interference with the internal affairs of another country. What motivation lay behind this assistance which went deep into the domestic realm?" he asked.

Thanat also referred to the U.S. invasion of Panama and called it "the most famous drug mystery".

Somsak said he did not think the speech would affect Thai-U.S. relations.

"Thanat was expressing his personal opinions to the United Nations and we hope the United States, as a long-time friend, will understand that," the spokesman said. He pointed out that Thanat was regularly appointed to attend the United Nations as special adviser from Thailand.

"Whenever he speaks out, he tries to protect national interests," the spokesman said.

Deputy Prime Minister Amnuai Wirawan told reporters there were no official complaints from the United States, but there were some "bilateral discussions" on the Thanat issue.

"At the national level, the ties are still solid and not affected (by the speech)," Amnuai said.

Thanat was appointed by the Banhan government to lead the Commission of Inquiry to investigate U.S. drug allegations against two senior Chat Thai Party members: deputy leader Watthana Atsawahem and chief adviser Narong Wongwan. Thanat's appointment raised eyebrows because of his strong anti-U.S. stand.

The United States suggested it would not embrace the results of the investigation.

Deputy Permanent Secretary for Foreign Affairs Sarasin Wiraphon said Thanat announced his position on the United States' drug allegations even before this government was in the office.

"It cannot be said that the Thai Government assigned Khun Thanat to make such a speech in the UN committee meeting. What he said has been his known position for years, even before this government was in office," Sarasin said.

Sarasin said the United States would never protest Thanat's anti- U.S. stance to the Thai Government.

"We should thank Khun Thanat for his very strong protection of Thailand," Sarasin said. "The United States has never launched any protest over Thanat's anti-U.S. attacks and never will," he added.

While the Thai Government tries to play down the issue, academics said the incident reflected the Thai Government's "naivety" of foreign affairs.

"This government is so tangled up by foreign affairs that watchers and foreign countries are confused," said Dr Khian Thirawit, a political scientist and international relations expert.

A source was reported to have said the U.S. Embassy sought clarification from the Foreign Ministry on whether Thanat's speech represented Thailand's official stance. Khian pointed out that if this report was true, it meant the United States took the matter seriously.

"Damage has definitely been done because Thanat was at the UN as a special adviser appointed by the government, and he scolded the United States in front of representatives of other countries," Khian said.

Prof Phongpen Sakuntraphai, a Thammasat political scientist, agreed.

"Thanat slapped the United States in the face at an international forum. There are (appropriate) times and places for things and Thanat, who is former foreign minister, should have realized that," he said.

"Thanat was appointed to solve this bilateral problem, but he has created new problems instead. I'm not saying we must be afraid of the United States. (But) we must take into account trade benefits and the overall relationship."

Dr Chaiwat Khamchu, a Chulalongkon political scientist and specialist on international relations, echoed the other two academics' views, saying Thanat was putting too much at stake in his defence of two Thai individuals.

"The government can't say it did not anticipate this. Everybody knew what Thanat was like, yet he was appointed as adviser to the delegation. I don't know what has really been in the government's mind but it should have been smarter than this," Chaiwat said.

Thanat's Warning to U.S. Termed 'Friendly'

BK1111094795 Bangkok BANGKOK POST in English 11 Nov 95 p 3

[Unattributed Report]

[FBIS Transcribed Text] Thanat Khoman's speech on drug control at the United Nations was a friendly warning America should heed, a Chat Thai MP said yesterday.

The adviser to the head of the Thai delegation was simply telling America it should not accuse Thai politicians of drug trafficking without evidence, said Man Phatthanothai.

"A stone thrown by a friend is better than flowers from an enemy," explained the Samut Prakan MP.

Mr Thanat also wanted to tell America that producer countries were not solely responsible for drug problems.

Responsibility also lay with buyer countries, whose number was increasing, said the former foreign minister.

Mr Man said America should co-operate more in solving the problem because it has been a major drugs market.

Mr Thanat chairs a government-appointed committee concerning itself with US drug allegations against Chat Thai deputy leader and Samut Prakan MP Watthana Atsawahem and Thoet Thai faction leader Narong Wongwan, who are barred from the US.

Mr Man doubted Mr Thanat's Oct 30 statement would affect relations with the US. "I did not understand why the Foreign Ministry and some Thais were so panicked."

Foreign deputy permanent secretary Sarasin Wiraphon, however, called for a news black-out on Mr Thanat's speech, saying reports would neither yield productive results nor enhance relations.

Mr Sarasin said Mr Thanat had good intentions in protecting the country but his opinions about the US were nothing new.

As chairman of the so-called public hearings committee, he had the right to comment on related issues, Mr Sarasin added.

Foreign Minister Comments on U.S. Drug Charges

BK1411082295 Bangkok Radio Thailand Network in Thai 0530 GMT 14 Nov 95

[FBIS Translated Text] The information that the Thai foreign affairs minister obtained from U.S. officials about Thai politicians allegedly involved in narcotics trafficking is now with the prime minister.

As to whether it will affect Thai-U.S. relations if the public committee discloses the obtained information to the public, Foreign Affairs Minister M.R. [Mom Ratchawong — member of royal family] Kasemsamoson Kasemsi told reporters at Government House this morning that it should not have any effect. He said that at the initial stage, U.S. officials were rather confused as to whom they should give the information. Therefore, they gave it to the foreign minister:

[Begin recording] [unidentified correspondent, in progress] ...would like this issue to end.

[Kasemsamoson] Certainly. I said it from the beginning. I used to say that [words indistinct] I wish the conflict would be settled. It is not so serious. Regarding the verbal attack the other day, I said that sometimes it is not true. Sometimes, U.S. congressmen or senators abruptly launch verbal attacks on us. We then...

[Unidentified correspondent, interrupting] [question indistinct]

[Kasemsamoson] Yes. This sort of thing is possible. Khun Thanat [chairman of the public hearing committee] is good in the sense of his patriotic spirit. He is a good person with regard to his intention to protect Thai society. [end recording]

Commander: Malaysian Navy Action 'Excessive'

BK1111134595 Bangkok THAILAND TIMES in English 11 Nov 95 p A3

[Unattributed Report]

[FBIS Transcribed Text] Bangkok — If reports are accurate, the action of the Malaysian navy was excessive, said Supreme Commander of the Armed Forces Wirot Saengsanit yesterday, referring to a recent incident when two Thai crewmen were killed by the Malaysian navy.

The incident took place when a Thai trawler with a crew of seven was seen approaching Malaysian territorial waters. A Malaysian naval vessel fired shots at the boat, killing its captain and a 14-year-old boy. The five remaining crew were detained in Pahang.

Wirot said that he had been informed of the incident on November 9, and was waiting to discuss the facts with the Malaysian military attache before carrying out any further investigation.

It was important to establish whether the vessel had actually violated Malaysian territorial waters before taking further actions, Wirot said.

"Don't make a mountain out of a molehill," said Wirot.

The Foreign Ministry is currently discussing the incident with Malaysia, while the military side will work to ensure that Malaysia will not use excessive force if a similar incident occurs in the future, Wirot said.

The relationship between Thailand and Malaysia remains unaffected by the incident, but clear measures must be taken to prevent future incidents, and to prevent Thai fishermen from entering Malaysian territory, Wirot added.

Meanwhile, Somsak Pritsananantthakun, spokesman for the Prime Minister's Office, said a summons had been served to the Malaysian charge d'affaires in protest of the incident. The Thai government has demanded that the Malaysian government pay compensation to the victims' families and immediately release the five detained fishermen.

Somsak added that even if the trawler had violated Malaysia's special economic territory, for the sake of friendship between the countries, the Malaysian navy could nave compromised by arresting the crewmen or acting in a more diplomatic way.

The issue of international territorial waters, which have not been firmly established, was discussed during the prime minister's recent visit to the Philippines and Vietnam, Somsak said. The matter will be further discussed at the ASEAN summit held in Bangkok in December, in a bid to dearly establish the exact territory of each country.

Vietnam

Vo Van Kiet Meets U.S. Transportation Secretary

BK0911160495 Hanoi VNA in English 1447 GMT 9 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov. 9 — Vietnam welcomes the presence of American businessmen not only in the transportation sector but also in other fields, Prime Minister Vo Van Kiet said while receiving the U.S. Secretary of Transportation Federico Pena here today.

Mr. Federico Pena is here for a fact-finding tour of the situation of transportation in Vietnam.

At the reception, Mr. Pena expressed his satisfaction at the outcome of his talks with his Vietnamese counterpart Bui Danh Luu, especially at Vietnam's strategy on infrastructure construction.

The secretary also expressed his fine impression of the determination made by the Vietnamese people and the government in their national development, and affirmed the U.S. businessmen circle's wish for long-term economic cooperation with Vietnam in every field.

For his part, Mr. Kiet expressed his thanks to the American guests for their concern about the situation of transportation in Vietnam and said he hoped that they will help promote the cooperative ties between the two countries particularly in transportation.

State Leaders Receive Outgoing Chinese Envoy

BK0411083695 Hanoi VNA in English 1437 GMT 3 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov.3 — State President Le Duc Anh and Vice State President Nguyen Thi Binh received here today on separate occasions

Chinese ambassador to Vietnam Zhang Qing, who paid them farewell visits at the end of his terms of office in vietnam.

Speaking to President Le Duc Anh, Ambassador Zhang Qing expressed his pleasure at the achievements recorded by the Vietnamese people in their renovation process as well as the recent fruitful development of the Sino-Vietnamese multi-sided relations.

For his part, President Le Duc Anh hailed and highly appreciated efforts made by the Chinese diplomat while here, describing them as a contribution to the promotion of the traditional and cooperative ties between China and Vietnam. Mr Anh said he believed that the multilateral cooperation in political, economic, trade, and cultural fields between the two parties, governments and people would be further enhanced in the interest of the people of the two countries, and for peace, stability, and development in the region and the world as a whole.

At her reception, Vice State President Nguyen Thi Binh held that the cooperative ties between Vietnam and China with its firm basis and potential prospect would be further consolidated and promoted.

After renewing the unceasingly development of the friendly and cooperative ties between the two countries, the Chinese diplomat said that the exchange of visits by state leaders of China and Vietnam recently helped boosting the process of development in both countries.

Friendship, Cooperation With Togo Hailed

BK0411084995 Hanoi Voice of Vietnam in English 1000 GMT 2 Nov 95

[Station Commentary]

[FBIS Transcribed Text] As reported earlier, Togolese President Gnassingbe Eyadema is now on an official visit to Vietnam. It is the first visit of the Togolese President to Vietnam. Here is our review of the event:

The West African country of Togo established diplomatic relations with Vietnam back in 1975. Over the past 20 years, relations have been mainly at political and diplomatic levels. Both countries have realized the need to expand cooperation in many fields, particularly in economics to suit the development of each country. This can be achieved because both countries have many similarities. They are members to the Nonaligned Movement and have much potential in agriculture development. Togo has 80 percent of its population living by farming.

During his visit, President Gnassingbe Eyadema has spent much time studying and exchanging experiences with Vietnam. At the talks with President Le Duc Anh, he expressed admiration on the economic achievement recorded by the Vietnamese people, particularly at becoming the third largest rice exporter in the world. He said Togo wants to strengthen economic and trade cooperation with Vietnam, first of all, in agriculture and irrigation.

Vietnam always wants to promote cooperation with other countries and the distance between Vietnam and Togo is not an obstacle for the promotion of cooperative ties. The current visit to Vietnam by the Togolese president is an important event opening up development of bilateral relations. It will contribute to further tightening the solidarity, friendship, and cooperation between Vietnamese and Togolese and other people in Africa.

Ninth National Assembly Issues Resolution

First Part

BK0711055395 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 6 Nov 95

["First part" of resolution issued by the Ninth National Assembly's eighth session in Hanoi — date not given]

[FBIS Translated Text] 1. Evaluation of the 1995 Situation:

In 1995, the socioeconomic situation continued to show positive signs of progress: National defense and security were firmly safeguarded; the livelihood of the majority of the people was improved; social order and discipline has seen changes for the better; and external relations and international cooperation were expanded. With these achievements, for the first time we have fulfilled and even exceeded various major targets of the 5-year plan for 1991-95. The achievements are significant enough for our country to enter a new development phase in the direction of industrialization and modernization.

Our country, however, is still experiencing many difficulties and challenges. Production forces continue to be small, domestic economic reserves are minimal, budget overspending is large, a high inflation rate is still a prominent risk, and outcomes of campaigns for thrift practicing, anticorruption, and antismuggling are still insignificant. Social vices have not been repelled, and environment and natural resources are being seriously destroyed.

2. Orientations and Major Targets for 1996:

Based on the orientations for the 5-year development plan for 1996-2000, we are determined to continue the renovation undertaking as the objectives of industrialization and modernization, an increase in domestic economic reserves, and obtaining a higher economic development rate with better efficiency and stability. Urgent social problems should be solved, and there should be harmonious development between economic achievement and cultural and social progress. People's livelihood should be further improved. National defense and security should be strengthened, while external relations should be consolidated and expanded.

The major targets for 1996 are:

— To increase the gross domestic product (GDP) by 9-10 percent;

— To develop production values in agriculture, forestry, and fishery by 4.5-4.8 percent;
— To reach a food staples output of 28 million tonnes;
— To increase industrial production value by 14-14.5 percent;
— To increase services output by 12-13 percent;
— To increase export value by 27-28 percent;
— To keep inflation rate under 14 percent;
— To reduce birth rate by 0.06 percent.

Last Part

BK0811101495 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 7 Nov 95

["Last part" of resolution issued by the Ninth National Assembly's eighth session in Hanoi—date not given]

[FBIS Translated Text] 1. Economic Issues a. Planning: — guaranteeing effective macro-economic management;

— focusing on major balances: budget revenue collection and spending, import-export activities, goods, currency;
— initiating the 1996-2000 five-year plan; and
— preparing the necessary conditions for implementing major investment plans in support of key projects of the five-year plan. b. Money and Finance:
— taking urgent steps to promulgate the state budget law;
— striving to increase revenue collection sources by expanding production and business activities and by enhancing their efficiency;
— guaranteeing correct revenue collection;
— fighting against collection shortfall, collection abuses, and smuggling; and
— practicing extreme thrift when it comes to capital construction, production, consumption, and festivities so as to increase resources and save capital for investment and development projects. State-provided investment capital must be used to serve, first of all, the purposes of building and upgrading the socioeconomic infrastructure and of promoting production activities;
— exerting close control over and making good use of all capital resources, especially loans granted by foreign countries;
— striving to reduce overspending and work toward the goal of achieving a balance between budget collection and spending;
— initiating the second phase of the tax reform program; and
— carrying on the renovation of banking operations along with abolishing the collection of business tax on bank credit services. It is necessary to reduce loan interest rates while, at the same time, lowering service fees and income tax on bank credit services;
— quickly stepping up the formation of the capital market and initiating the establishment of the stock market;
— formulating a policy to draw capital from the people and from different economic sectors to support production and business operations;
— applying the share-holding enterprise system to state enterprises that do not need to retain 100 percent of their capital;
— encouraging workers and the people to buy shares;
— expanding the people's credit fund network, the bank for the poor system, and different forms of insurance; and
— checking inflation, stabilizing the values of currency, and preventing unexpected price fluctuations. c. Restructuring the Economic System:
— working out uniform mechanisms and policies and necessary guidelines to accelerate the economic restructuring process;
— reorganizing state business establishments and continuing to invest in the development of various branches, targeted industrial centers, and key projects to achieve the goals of national industrialization and modernization. At the same, due attention must be given to other economic sectors countrywide.
— effectively materializing national development goals;
— bringing into full play the potential of land and water surfaces to produce a substantial volume of commodities;
— promoting the goods processing industry;
— refraining from using areas designed especially for rice cultivation to serve other purposes;
— making adequate policy changes to guarantee stable and steady food supply for the entire country and to meet export demands;
— promoting the development of cultivation, animal husbandry, fisheries, and aquaculture through the

introduction of new strains, breeds, and technologies capable of yielding high results. d. External Economic Relations

— renovating external economic mechanisms and policies, especially import-export policies, so as to guarantee local production and promoting export activities, bearing in mind the need to closely control the excess of imports over exports;

— improving the investment environment to draw more foreign investment capital, while at the same time enhancing the quality of investment project assessment work;

— taking advantage of and creating every favorable condition for the reception and transfer of modern technology; and

— strongly promoting tourism, civil aviation, post and telegraph, and other services designed to draw foreign currencies.

2. Culture and Education

— improving the quality and efficiency of education and training, culture, information, physical education, and sports;

— guaranteeing the conditions for the universalization of elementary education and the abolition of illiteracy, particularly in mountain regions and deep or remote areas;

— setting up an education fund based on the regulations governing the universalization of elementary education;

— making adequate investment to improve the quality of teaching and learning activities;

— preserving and promoting national cultural traits;

— encouraging creative art work;

— devoting efforts to ensure an enjoyable life for everyone and to help improve the spiritual and cultural life of the people;

— accelerating the movement to pattern family building after new cultural norms;

— stepping up measures to check and eliminate the circulation of cultural materials with hazardous contents;

— effectively carrying out programs designed to protect, care for, and educate children;

— preventing and resolutely dealing with acts that violate the child's human dignity and rights;

— enhancing the quality of youth vocational training and creating conditions for youths to earn their living;

— initiating a widespread movement for physical fitness and sports activities along with making efforts to improve the quality of high-performance sports.

3. Social and Health Care Issues:

— Satisfactorily implementing programs to generate jobs for working people, especially programs to grant capital loans for small projects and combining the granting of loans with the program to eliminate starvation and reduce poverty.

— Continuing to satisfactorily implementing the Labor Code and regulations to provide preferential treatment to individuals who have rendered meritorious service to the Vietnamese revolution.

— Accelerating movements to show gratitude to individuals who have rendered meritorious service to the nation, take care of social welfare recipients, and solve in one step the difficulties in the lives of pensioners and wage earners.

— Upgrading the efficiency of programs on national health care, primary health care, and medical care for the elderly, mothers, and children and eliminating child malnutrition.

— Continuing investment to build two high-level medical centers and upgrade medical service centers.

— Paying attention to the training of cadres for medical centers in villages and subwards; satisfactorily implementing the policy on medical care insurance; and concentrating efforts for the control and treatment of malaria, leprosy, tuberculosis, and goiters.

— Introducing policies to ensure that poor people can receive medical treatment in public medical establishments.

— Accelerating the population information and education work and ensuring adequate funding, equipment, and service for the population and family planning work to reduce our population development rate.

— Introducing active measures to prevent and control HIV and AIDS.

— Accelerating work against social evils; strictly punishing brothel owners, illegal lottery operators, gambling house keepers, pimps, and drug traffickers; and creating a wide public campaign against social evils.

4. Science, Technology, and Environmental Protection:

— Quickly conducting national scientific research programs for the period 1996-2000 to meet socioeconomic development requirements at a higher level in a more efficient manner.

— Concentrating on studies on the theory and practicality of the renovation undertaking, construction of socialism, and management system in the industrialization and modernization period.

— Accelerating the research and application of modern technologies, especially information and biology technologies, new materials, and automation.

— Quickly applying scientific and technological advances for the service of the transferring of the economic structure and the construction of rural and mountainous areas.

— Paying attention to protect and improve city, rural, industrial zone, and marine environments.

— Ending deforestation.

— Closely controlling, preventing, and quickly dealing with activities that cause pollution and environmental degradation.

— Correctly implementing the goal that requires that development must go together with the protection of environment; introducing plans to checks all establishments that cause pollution and cause damage to the environment; and applying measures to deal with these causes.

5. National Defense and Security Tasks:

— Accelerating the propaganda and education work to make people fully aware of the peaceful evolution conspiracy of hostile forces in the new situation.

— Strengthening and broadening the national unity bloc.

— Developing patriotism and revolutionary tradition.

— Mobilizing all people and soldiers to actively consolidate the all-people national defense system, people's security, and national defense and security strategy to firmly maintain political security and social order and safety and ensure a peaceful and stable environment for the undertaking of national development.

— At the same time, regularly heightening the revolutionary vigilance and actively and promptly smashing all conspiracies and sabotaging activities of hostile forces.

— Closely combining socioeconomic development with the strengthening of national defense and security.

— Gradually building the national defense industry.

— Actively improving and ensuring the provision of essential materials for the Armed Forces and the Public Security Force.

— At the same time, strengthening and upgrading the quality of the People's Self-Defense Armed Force and the Reserved Army so that all the Armed Forces are strong enough to play a leading role in working with the entire people to protect the socialist regime and firmly protect independence, sovereignty, unification, and national integrity.

6. Ethnic and Mountainous Area Issues:

— Investing in mountainous and ethnic areas at a higher rate than in 1995 to develop infrastructure such as transportation, water reservation, electricity, information, and communications.

— Paying attention to investment for the transfer of economic structure and agricultural and forestry promotion.

— Increasing investment to improve medical, educational, and health care service for ethnic people.

— Providing capital, technique, and tree seedlings to help people stop planting poppy trees.

— Increasing investment to improve clean water supply for people living in the highlands, islands, and areas living by Khmer and Cham ethnic people.

— Granting more appropriate funding for the program to eliminate starvation and reduce poverty.

— Improving funding procedures for programs and work relating to the coverage of empty land and bare hills with greenery, forest protection, development of perennial industrial trees, and husbandry.

— Paying attention to settled farming, life, and work, and the building of new economic zones.

— Investing sufficiently in poor areas inhabited by ethnic minorities.

— Providing guidance to all sectors and local authorities to deal with the free movement of residency.

— Actively train and retrain the contingent of ethnic minority cadres, giving special attention to the funding of ethnic boarding schools, and supplementing and perfecting policies on the mountainous region to encourage the people and cadres to actively participate in socioeconomic development in the mountainous region and the welfare of ethnic minorities.

7. Foreign Affairs:

— Continuing with the open door foreign policy.

— Increasing external activities in all regions, especially in Southeast Asia, and in international and regional organizations.

— At the same time, upgrading external affairs in the areas of politics, economy, science, technology, culture, and society.

— Implementing uniform management of all foreign affairs activities and quickly strengthening the organization and training a contingent of foreign affair cadres who are moral with good political, professional, and language capabilities.

— Stepping up the dissemination of external information, paying attention to protecting the legitimate interests of overseas Vietnamese and creating the conditions for them to contribute their share to the development of friendship relations with other people in all nations and to participate in the construction of our fatherland.

8. Improving the Management Efficiency of the State Mechanism:

— Accelerating administrative reform.
— Perfecting in one step the legislative system.
— Improving the effectiveness of the organization for the execution of state laws, specially the execution of the Civil Code which was passed by the National Assembly recently.
— Restructuring the government and streamlining state bodies.
— Ensuring a clear definition of work and responsibility in all sectors and levels and close coordination among state organs.
— Strengthening state management over economic, social, national defense, security, and foreign affairs domains. State guidance must be resolute, concentrate on key points, and be uniform from the top levels down to the lower levels.
— Increasing inspection and investigation.
— Introducing resolute measures to fight corruption, smuggling, and waste.
— Consolidating, purifying, and heightening the efficiency of law-enforcement agencies.
— Fostering and training a contingent of public servants.
— Selecting public servants in conformity with the job description and title.
— Determinedly remove all unqualified people from the state mechanism.
— Improving work attitudes.
— Eliminating all embarrassing procedures.
— Creating conditions for the people to check on and look into the activity of the state organs and participate in the state and social management.
— To continue to facilitate the close relations between state organs with the fatherland front, its organization members, and the public.

9. Organizing the Implementation of this Resolution:

The National Assembly entrusts the government, responsible state organs, and all sectors and levels to organize the implementation and conduct regular reviews of the implementation of this resolution in conformity with their functions and duties.

The government needs to prepare full reports on the implementation of the 1995 socioeconomic development plan and on major issues that need to be amended and revised in implementing the 1996 plan and the 1996-2000 five-year plan to be presented to the National Assembly at its next session.

The National Assembly Standing Committee, other National Assembly committees, National Assembly delegations, and National Assembly deputies are to strengthen their supervision over the implementation of important targets and tasks that it has given approval to. The Vietnam Fatherland Front and its organizational members are to heighten their supervision over state organs, and at the same time, actively mobilize people from all walks of life to participate in the successful implementation of this resolution.

The National Assembly calls on the people and soldiers in the country and our people living overseas to heighten their patriotism and to develop skills, creativity, enthusiasm, and will power for the successful implementation of the 1996 tasks to achieve a powerful nation, prosperous population, and equitable and civilized society.

Assembly Resolution Issued on Legislative Program

BK1011143695 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 10 Nov 95

["Text" of a resolution issued by the Ninth National Assembly's Eighth Session in Hanoi; date not given]

[FBIS Translated Text] The National Assembly of the Socialist Republic of Vietnam, pursuant to Article No. 84 of the Constitution of the SRV and Articles No. 62 and 63 of the National Assembly Organization Law, after listening to the report of the National Assembly Standing Committee on the legislation drafting program of the Ninth National Assembly for the period from now until the end of its term of office, and in consideration of suggestions by National Assembly deputies, hereby decides:

I. The legislation drafting program for the period from now until the end of the term of office of the Ninth National Assembly consists of the following:

A. Laws:

a. Official Program:
1. State budget law.
2. Laws on value added, personal earnings, and company turnover taxes.
3. Trade law.
4. Cooperative law.
5. Education law.
6. Amended criminal law.
7. Law on authority and process of legislation promulgation.
8. Amended criminal procedures law.
9. Amended law on foreign investment in Vietnam.
10. Amended or supplemented laws on state mechanism organization and people's organ of control.
11. Amended and supplemented law on officers of Vietnam People's Army.
12. Amended law on marriage and family.

13. Law on nationalities.
14. Law on mineral resources.
15. Law on national boundary.
b. Supplement Program:
1. Law on construction.
2. Law on water resources.
3. Law on postal and telegraphic services.
4. Law on banking service.
5. Law on Customs Service.
6. Amended law on companies.
7. Amended law on private business establishments.
8. Amended law of citizenship.
9. Civil procedures code.
10. Law on court order enforcement.
11. Law on Vietnam Fatherland Front.
12. Law on associations.
13. Law on youth.
14. Law on compliments and awards.
15. Law on science and technology.
16. Law on suppression and prevention of narcotics.
17. Law on fire prevention and rescue.

B. Ordinances:

a. Ordinance program for 1995:
1. Ordinance of authority and responsibility of People's Councils and People's Committees at various levels.
2. Ordinance on inspection and guidance roles of the National Assembly Standing Committee, and the inspection and guidance role of the government, on People's Councils.
3. Ordinance on public service.
4. Ordinance on the levy of fees.
5. Ordinance on arbitration procedures for labor disputes.
6. Ordinance on administrative tribunal procedures.
7. Amended ordinance on lawyer organization.
8. Ordinance on self-defense militia.
9. Ordinance on building of the military reserve force.
10. Ordinance on border guard troops.
11. Ordinance on religion.
12. Ordinance on protection of consumer rights.
13. Ordinance on unoccupied residences.
14. Amended ordinance on the preservation of national archival materials.
b. New ordinance drafting program for the period from now until the end of the Ninth National Assembly's term of office:
1. Amended and supplemented ordinance on the rights and duties of domestic organizations that manage or rent state land.
2. Ordinance on tourism.
3. Amended and supplemented ordinance on economic contracts.
4. Ordinance on trade arbitration.
5. Amended ordinance on engagement and enforcement of international agreements.
6. Ordinance on the organization of the people's inspection right.
7. Amended and supplemented ordinance on the conferring of state titles on teachers, physicians, and artists.
8. Ordinance on disabled people.
9. Amended ordinance on the organization of criminal investigations.
10. Ordinance on the organization and operation of mediatory agencies.
11. Ordinance on intelligence services.
12. Ordinance on radiation control.
13. Ordinance on the baseline to determine the dimensions of Vietnam's territorial waters.

If the government, National Assembly deputies, or organizations and individuals with the authority to submit legislative drafts come up with submissions or suggestions for new legislative drafts, the National Assembly Standing Committee will consider and submit them for approval to the National Assembly.

II. Major measures for implementation in the legislation development program:

1. To strengthen the guidance and close coordination among the National Assembly Standing Committee, the government, and the relevant agencies and to inspect the process of program implementation on a regular basis in accordance with the division of duties between drafting and inspecting bodies to ensure the steady progress of the program. Based on the demands of the new situation and the preparation of the legislative drafts, the National Assembly Standing Committee and the government will contemplate new legislative drafts for the National Assembly to discuss in its sessions and supervise the progress of the preparation process of the drafts from now until the end of the term of office.

2. To strengthen the preparatory and research tasks as well as the understanding of the basic requirements of each draft to ensure the heightened quality of the drafts in both content and technical terms. To prepare all legal documents that are below the level of law carefully and submit them to the National Assembly and the National Assembly Standing Committee.

3. To continue the review of experiences gained from the process of developing laws and ordinances promulgated by the State Council in order to improve the process of legislative development work, especially in the review of real-life circumstances in relation to the drafts; the drafting work; and the solicitation of opinions from the people, agencies, sectors, and National

Assembly deputies before submission to the National Assembly or the National Assembly Standing Committee for consideration and approval.

4. To create more favorable conditions to ensure efficient legislation work. First of all, to build a steadfast and effective contingent of legislation drafting cadres working in all sectors and levels, and to have the appropriate measures to attract widespread contributions and opinions from the people and experts in various sectors and levels into the process of drafting laws and ordinances.

5. To consolidate the legislative activity of the National Assembly, agencies within the National Assembly, and National Assembly deputy groups and individuals in order to fulfill the program successfully and on schedule. If necessary, the time allotted for legislative activities during National Assembly sessions or meetings of the National Assembly Standing Committee will be increased.

This resolution has been approved by the Eighth Session of the Ninth National Assembly of the SRV on 28 October 1995. Signed by National Assembly Chairman Nong Duc Manh.

Assembly Resolution on Civil Code Implementation

BK1311125295 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 11 Nov 95

[Resolution approved by the Ninth Vietnamese National Assembly's eighth session on implementation of the Civil Code in Hanoi on 28 October]

[FBIS Translated Text] The National Assembly of the Socialist Republic of Vietnam, pursuant to Article 84 of the 1992 SRV Constitution, decides:

1. The SRV Civil Code, adopted by the National Assembly on 28 October 1995, will be valid as of 1 July 1996.

2. The following decrees will be invalid as of 1 July 1996.

— Decree on civilian contract dated 29 April 1991;
— Decree on housing dated 26 March 1991;
— Decree on inheritance dated 30 August 1990;
— Decree on protection of industrial ownership rights dated 28 January 1989;
— Decree on protection of the author copyright dated 2 December 1994; and
— Decree on transfer of foreign technology in Vietnam dated 5 December 1988.

The Government, the Supreme People's Court, and the Supreme People's Organ of Control shall, within the bounds of their function, duty, and authority, review the current civil regulations to abrogate, revise, or supplement them in line with the stipulations of the Civil Code. They may issue new regulations or request that the National Assembly Standing Committee and the National Assembly abrogate, revise, or supplement old regulations or issue new ones to comply with and ensure the validity of the Civil Code as of 1 July 1996.

In certain cases, stipulations of the aforementioned decrees can be applied to resolve conflicts arising from civil transactions made before 1 July 1996.

3. For civil transactions made before the valid date of the Civil Code, the following legal measures can be applied:

A. Those civil transactions made before the Civil Code becomes valid are still operational, and the forms and contents of which are in line with the Civil Code should be subjected to Civil Code stipulations.

B. Those civil transactions made before the validity of the Civil Code, but the forms and contents of which are not in line with Civil Code stipulations, should be subjected to the old law and regulations, provided they are not contrary to prohibitions and social ethics as prescribed by the Civil Code.

C. Regarding those civil transactions made before the Civil Code becomes valid, which complied with the law during their establishment but are now contrary to the prohibitions and social ethics as prescribed by the Civil Code, the parties concerned must abrogate these transactions because they are considered invalid by law.

D. Regarding those civil transactions made and completed before the Civil Code becomes valid, but about which conflicts arose afterward, the old law and regulations can be applied to resolve them.

4. Stipulations of the Civil Code shall be applied to civil transactions on housing made after the Civil Code becomes valid.

Those civil transactions on housing made during the period 1 July 1991 to the valid date of the Civil Code are subjected to the decree on housing and other relevant laws and regulations.

Those civil transactions on housing made before 1 July 1991 shall be subjected to the National Assembly's stipulations.

5. The Civil Code's stipulations on the transfer of land use rights are applicable [retroactively] as from the validity of the 1993 Law on Land.

6. The application of regulations on terms of limitation is stipulated as follows:

A. Those civil transactions made before the Civil Code becomes valid, which were subjected to the old law with description on limitation of civil rights, exemption of civil obligations, and limitation of prosecution, are still subjected to the old law that was in force during their establishment.

B. Those civil transactions made before the Civil Code becomes valid, which were subjected to the old law without description on limitation of civil rights, exemption of civil obligations, and limitation of prosecution, are now subjected to the Civil Code's stipulations on limitations, beginning from the date the Civil Code becomes valid.

7. The Government, the Supreme's People Court, and the Supreme People's Organ of Control shall, within the bounds of their function, duty, and authority, provide guidance on the implementation of the Civil Code.

The Government shall coordinate with the Vietnam Fatherland Front and its member organizations to propagate and widely disseminate the Civil Code to develop its role and promote its application in state management work and civil transactions, thereby protecting the interests of the state and the rights and legitimate interests of individuals, juridical persons, and other subjects.

Vinh Phu Holds Party Congresses, Admits Members

BK0311145495 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 2 Nov 95

[FBIS Translated Text] As of September, 414 grassroots party organizations in Vinh Phu Province had held their congresses. They elected 2,889 members for various new party executive committees, 53.9 percent of them were reelected. Among the newly elected persons, 81.3 percent are party members and 50.8 percent of them have participated in the party's local activities. Their ages range from 30 to 50.

During the three months of holding party organization congresses at various levels, Vinh Phu Province admitted 1,050 new party members, bringing the province's total party members to 42,060. The province established 31 new party chapters and organized three refresher courses for 247 party cadres.

Doan Khue Attends Ceremony To Decorate Shipyard

BK0411083495 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 2 Nov 95

[Report by Trong Bao]

[FBIS Translated Text] In the morning of 1 November, the Bach Dang Shipyard [BDS] under the Ministry of Communications and Transportation solemnly held a ceremony to receive the noble title of Heroic Unit of the People's Armed Forces conferred by the government. Attending the ceremony were General Doan Khue, member of the party Political Bureau and minister of national defense; and Comrade Bui Danh Luu, member of the party Central Committee and minister of communications and transportation. On this occasion, General Secretary Do Muoi and Prime Minister Vo Van Kiet sent their congratulations to the BDS.

Under the authorization of State President Le Duc Anh, Comrade Le Danh Xuong, member of the party Central Committee and secretary of the Haiphong Party Committee, pinned the insignia Heroic Unit of the People's Armed Forces to the BDS flag. BDS Director Hoang Kim Ba read a report on BDS achievements over the last 30 years in production, combat, and combat service.

Addressing the ceremony, on behalf of the Party Military Central Committee and the Ministry of National Defense, General Doan Khue warmly congratulated the successive generations of BDS cadres and workers for their abiding commitment to the People's Armed Forces and the People's Navy Force in scoring victories and achievements for the noble title of Heroic Unit of the People's Armed Forces. He expressed his hope that the BDS will move to new heights in contributing to the current undertaking of national renovation.

Fiji

UN Envoy Maintains Stand Against French Tests

BK0911065895 Melbourne Radio Australia in English 0500 GMT 9 Nov 95

[FBIS Transcribed Text] Fiji has again taken a strong stand at the United Nations against French nuclear testing in the South Pacific. Fiji's ambassador to the UN, [Proseti Embonei], told the UN Disarmament and Security Committee that the Pacific should not be a dumping ground for others.

Speaking in support of a motion calling on France to stop its nuclear testing in French Polynesia, Mr. [Embonei] said that by continuing with its tests France is showing it can treat contempt for regional and international opinion. Mr. [Embonei] called on France to immediately address the environmental and health risks caused by the tests, open the test sites to independent scientists, and declare all scientific data.

New Zealand

RSA Assures Investors of Equal Treatment

MB1411053295 Johannesburg SAPA in English 2026 GMT 13 Nov 95

[Report by Jonathon Rees]

[FBIS Transcribed Text] Auckland, New Zealand Nov 13 SAPA — President Nelson Mandela on Tuesday assured foreign investors of equal conditions with local business.

"There are no restrictions on areas you can invest in and you will enjoy the right to repatriate your profits," he told 700 businesspeople at a breakfast in Auckland during his state visit to New Zealand.

In 1994, South Africa exported R98 million [rands] worth of goods to New Zealand against R95 million of imports, a slightly favourable trade balance reflecting a huge recent increase in New Zealand-SA [South Africa] trade since Mandela came to power, according to South African trade officials.

While noting exchange controls and tariffs were not in South Africa's economic interests, Mandela said they needed to be gradually removed so as not to increase unemployment.

"We are opening our economy to the world, including the relaxation of exchange controls," he said. Immense opportunities existed for mutually beneficial economic relations between southern Africa and the Pacific region, South Africa and New Zealand.

Conditions were right for international investors to exploit South Africa's massive investment prospects.

"You can be assured you will enjoy the same benefits as local investors," Mandela said.

He said international partnership had a critical role in making South Africa a better place, particularly expanded trade and investment links.

Long-term growth prospects in southern and South Africa were already attracting increased international trade and investment, Mandela said.

And the 12-member Southern African Development Community was taking advantage of post-apartheid stability to become a powerful force for regional development.

Mandela assured investors of the government's firm commitment to financial discipline and gradual reduction of the fiscal deficit, saying spending was being shifted from consumption to capital expenditure. The government insisted on more efficient use of public funds so its limited resources could be used to maximum effect, he said.

Papua New Guinea

Premier: Bougainville Peace Talks 'Abandoned'

LD1011103595 Wellington Radio New Zealand International in English 0900 GMT 10 Nov 95

[FBIS Transcribed Text] Papua New Guinea Prime Minister Sir Julius Chan says peace talks aimed at solving the seven-year secessionist rebellion on Bougainville Island have been abandoned. Sir Julius says the recent upsurge in rebel activity ahead of peace talks being planned for Australia next month ran contrary to the spirit of achieving true peace on the island. He says it is unlikely that the top leaders of the Bougainville Revolutionary Army would attend the talks. Sir Julius says there will be no further talks until and unless he is satisfied that all participants to any such meeting in future strictly adhere to the basic ground rules laid down to guard their deliberations. He says his government will give financial priority to the restoration work currently underway on Bougainville and not fund overseas peace talks, which he called overseas jaunts.

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